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# Sub-Saharan Africa Report

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19 April 1985

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INTER-AFRICAN AFFAIRS

BRIEFS

RAIL STANDARDIZATION--Representatives of seven Southern African countries met in Johannesburg this week to plan the standardization of the sub-continent's rail system and to exchange information on problems relating to rail transport. Countries represented at the fourth Inter-Railway Engineering Conference were: South Africa, Mozambique, Zaire, Swaziland, Malawi, Zimbabwe and Zambia. The three-day conference ended yesterday. No statement was released. It was the first time that the conference was held in South Africa, the first conference having taken place in Zimbabwe in 1981. The South African delegation was led by Mr J. A. Kohler, a chief engineer in the South African Transport Services (SATS). Mr Kohler said the standardization of the rail systems in the region would facilitate closer future cooperation between the various countries.  
[Text] [Johannesburg THE STAR in English 22 Mar 85 p 14]

CSO: 3400/932

BENIN

#### KOMSOMOL DELEGATION VISIT REPORTED

Cotonou EHUZU in French 5 Feb 85 p 3

[Article by Dossavi-Messy]

[Text] A delegation of the Leninist Communist Youth League (Komsomol) from the USSR arrived in Cotonou yesterday for a 48-hour visit in the People's Republic of Benin.

The delegation of workers, students, kolkhoz workers and leading activists in the Soviet Union's economic institutions was met at the Port of Cotonou by a delegation from the National Executive Office of the Organization of the Revolutionary Youth of Benin (ORYB), led by Comrade Aguiar Kint Christophe, executive secretary, responsible for ORYB's foreign relations.

More than 300 in number, the young Soviets, taking advantage of their winter vacations, would like to strengthen their relationship of friendship and solidarity with Beninese youth through exchanges of ideas and experiences.

They have already visited Angola, Nigeria. After their visit here, their cruise will take them to Sierra Leone and Guinea-Bissau, before they return to the Soviet Union.

Following the customary protocol--a word of welcome, introductions of the two groups--a short, informal working session brought the two groups together to harmonize the program developed for the occasion of the arrival of the cruise. According to the scheduled program, the Hall of Arts and Culture of Cotonou served as the setting of a cultural and artistic event last evening, organized by the ORBY, during which Beninese and Soviet young people, with the spirit of solidarity, presented respectively highly varied and richly-detailed scenes from the cultural heritage of their respective lands.

The cultural event was followed by a cocktail hosted by the ORYB in honor of the Soviet Komsomol youth. The gesture was very much appreciated and it attests to the Beninese youth's interest in their Soviet friends. This morning, the two groups met for a working session. On this occasion, there will be an exchange of ideas on the experiences acquired by both parties and the young Soviets will give their hosts a presentation on the preparations for the twelfth world festival of young people and students which will be held in Moscow in the summer of 1985.



The rest of the morning will be devoted to tourism. This will enable the young Soviets to discover a part of our country.

The Soviet young people's cruise will leave Cotonou for Freetown early this evening.

12413

CSO: 3419/295

BENIN

# NORTH KOREAN DELEGATION TO EXPAND COOPERATION

Cotonou EHUZU in French 4 Feb 85 p 1

[Text] The relations of cooperation between the People's Republic of Benin and the Democratic People's Republic of Korea (DPRK) will be developed further. A Korean economic delegation, headed by Comrade Kim San-chul, has been in our country one week working toward this end. Last Friday, in a plenary session at the port of Cotonou conference hall, it met with officials from various Beninese ministries. Presiding at the meeting was Comrade Gratien T. Capo-Chichi, member of the Political Bureau, chairman of the Equipment, Housing, Transportation and Communications Commission of the Central Committee of the People's Revolutionary Party of Benin, and chairman of the ad-hoc committee in charge of the Korean delegation's visit in Benin.

Last Friday's plenary session between the Beninese and Korean delegations was to finalize the projects decided upon since the memorable meeting between Presidents Kim Il-song and Mathieu Kerekou in 1976. In his welcoming address, Comrade Capo-Chichi indeed recalled this visit which witnessed the strengthening and the development of a relationship of cooperation between the two countries, devoid of any notion of domination or exploitation; a relationship that has since taken form in the construction of three monuments (the monument to Martyrs, the Red Star in Cotonou and Goho Square in Abomey), the equipping of the Press Building, the supplying of equipment for the Ouidah polytechnic complex, the creation of farms, etc.

Comrade Gratien Capo-Chichi next presented to the two delegations future projects to which our great comrade in our cause, President Mathieu Kerekou, and the Beninese people attach great importance. These include water storage projects in different regions of our country, irrigation, completion of the Come hospital, the planned construction of the Central School of the Party, the planned construction of a cultural center, etc.....

In his response to the welcoming address, Comrade Kim San-chul, in the name of the delegation he heads, first expressed its joy at being in Benin to view the efforts made by the people of Benin in the area of national construction.... Our stay, said the head of the Korean delegation, should speed up the completion of a number of projects decided upon by our heads of state and our ministers. He put forward the desire that his delegation would do everything to bring to fruition the relations of cooperation between the two countries and to work toward the success of South-South cooperation.

BOTSWANA

## GOVERNMENT URGED TO START PROJECTS TO STOP URBAN MIGRATION

Gaborone DAILY NEWS in English 26 Feb 85 p 2

[Text]

GABORONE: The Government has been once again urged to start projects to create employment in the rural areas to stop the current high rate of migration to towns.

Speaking during the debate of the budget which was presented by the Vice President and Minister of Finance and Development Planning, Mr Peter Mmusi on Monday, the MP for Shoshong, Mr Goareng Mosinyi, suggested that the Government must do something immediately to cater to rural people.

He said rural development was very slow and as a result 90 percent of the population of Botswana was still suffering from unemployment and lack of food.

He further said that people in the rural areas flock to towns to look for jobs which do not exist.

One way of developing rural areas, Mr Mosinyi suggested, was the grading of rural roads and supplying councils with what he called sophisticated machinery to grade these roads.

Without telephones in the rural areas it could not be said rural development was going on properly, Mr Mosinyi charged.

The MP told the House that water supplies in the rural areas was irregular and there were frequent

breakdowns of machinery, while in towns every house was supplied with water.

He however thanked the Ministry of Agriculture for the field destumping programme, which he said had benefitted a lot of people.

Mr Mosinyi's concern on rural development was shared by the MP for Maun/Chobe, Mr David Monwela, who remarked that it seemed that urban centres were being developed more rapidly at the expense of rural residents and as a result people were going to towns looking for employment.

Unemployment was a world-wide problem, he said, and some developed countries had up to three million unemployed people. He said there were some people in Parliament who were "dreaming".

"We have people who think money can just be dished out," he said. "The fact that other African states were operating in the red was a lesson to those who say 'we are misusing money.' We are not here to argue but to make proposals."

Mr Monwela queried the system whereby vegetables produced in Botswana were exported to South Africa and then imported again. He said these go to South Africa as first grade vegetables. He suggested that markets for this fresh produce should be

created in Botswana.

In support, the MP for Mochudi Mr Greek Ruele said northern Tuli Block farmers were capable of supplying Botswana with fresh produce and there was no reason why the Botswana Development Corporation (BDC) should be exporting vegetables to South Africa which were later imported back into Botswana.

On the BMC bonus issue, MP Ruele stated that the former Minister of Agriculture had explained to the people in his constituency how this operates, but surprisingly there was still some doubt in the minds of the people.

He suggested that to remove that doubt, the Minister of Agriculture should produce an audited statement of BMC accounts.

The MP for Gaborone North, Mr Maitshwarelo Dabutha suggested that the Ministry of Agriculture be given the lion's share of the current budget instead of the P16 million it was given for 1985/86.

Mr Dabutha argued that the Government was not doing anything to improve the lives of the people as far as agriculture was concerned.

He added that because of the drought, which featured prominently in the budget speech, he had expected agriculture to be allocated more money than any other ministry.

BOTSWANA

## BUDGET REFLECTS GOOD ECONOMIC PERFORMANCE

Gaborone DAILY NEWS in English 26 Feb 85 p 2

[Article by Jowitt Mbongwe]

[Text]

GABORONE: An Economist with the University of Botswana, Dr Webster Masenya has said the budget which was presented to Parliament last week by the Vice President and Minister of Finance and Development Planning, Mr Peter Mmusi reflected a good economic performance.

Dr Masenya pointed out that this was largely due to the favourable exchange rates created by the strength of the dollar and the weakness of the South African rand.

He noted that, unlike in situations where politicians credit themselves by claiming that their policies were responsible for the good economic performance, it was stated clearly in this year's budget that the credit goes to the favourable exchange rates.

Dr Masenya said the budget had nothing radically different from other budgets.

He predicted that by the end of the first quarter of this

year, inflation will become a reality, with a double digits figure.

On the six percent salary increase for civil servants, Dr Masenya said the Government had no choice but to do it.

He explained, had the Government increased salaries by a higher percentage, inflation would have been borne due to the fact that the private sector would have to pay more in wages and charge more for their products.

The surplus in the balance of payments can also be inflationary, because any accumulation of foreign reserves means a rapid accumulation of money supply.

Mr Rat Peba Sethantsho former commissioner of taxes and now a politician expected a radical change in the budget proposals because it is the first after Government was given a new mandate to rule.

He labelled the budget as a "capitalist budget" which seeks to impress the rich rather than the people of this country, most of whom live in rural areas.

Most of the things in the budget, Mr Sethantsho said, are more capital-intensive than labour-intensive.

"One would have thought that with what we learnt from the drought, Government would address itself to projects like irrigated farming which are labour-intensive," argued Mr Sethantsho.

He added that the budget gives an impression that commercial banks are assisting the economy, when in actual fact they are assisting the rich whilst the poor continue to suffer.

Mr. Sethantsho criticised the activities of commercial banks as devoid of social and economic justice.

CSO: 3400/866

BOTSWANA

## NATIONALS URGED TO GIVE PRIORITY TO LOCAL GOODS

Gaborone DAILY NEWS in English 25 Feb 85 p 3

[Text]

GABORONE: If Batswana could actively support locally manufactured goods, a more competitive and attractive export market would be realised, the Minister of Commerce and Industry, Mr Moutlakgola Nwako, said when officially opening a new IKEA furniture showroom, at Broadhurst.

He said there was a wide range of goods available as import substitution items than those which Batswana were compelled to import because they were not available locally.

Mr Nwako noted that the number of factories in Botswana had increased, and, the range of products increased even more.

He said it was hoped that Botswana would soon have its soap manufacturing factories.

A tannery was being built by Italian entrepreneurs in Selebi-Phikwe and several shoe manufacturers are already registered, said Mr Nwako. Most of them will be in operation by the end of 1985, he disclosed.

The Minister said many of the products now being produced were for industrial use, he pointed out; and commended Debswana and BCL Limited for having made special efforts to encourage local manufacturers.

He said the Department of Supplies in conjunction with

the Government was regularly up-dating its information in relation to a range of products now produced in Botswana and was doing everything possible to make sure to "Buy Botswana" whenever possible.

He noted that the range of items produced by IKEA had expanded rapidly from less than 40 in the initial stages to a variety of about 70 items now.

In addition the company has recently developed a range of pine furniture and produces about 20 separate items of this kind, the Minister commended.

About 90 per cent of goods produced by the IKEA have shown that our local manufacturing industry was effective enough to be able to handle some sophisticated techniques necessary to reach this high standard of quality, those gathered were told.

Mr Nwako pointed out that the current raw materials for cane furniture came from Singapore and the raw material for the bamboo wicker furniture which is to be produced in Botswana in the near future will come from South Africa.

He said the IKEA company had recently registered a sister company which would provide a large export potential, which will



undertake the silvering of glass and production of various joinery items.

The creation of such manufacturing activities provides employment and the opportunity for Batswana to learn new technologies, Mr Nwako said. The firm, he added now employs many Batswana and produces goods which are sold locally and exported to other countries.

IKEA commenced operations last year with the establishment of a cane furniture manufacturing in Mogoditshane and the opening of their first showroom in in the Old Industrial area.

CSO: 3400/866

BOTSWANA

RESPONSE GOOD FOR FARMING AID SCHEMES

Gaborone DAILY NEWS in English 26 Feb 85 p 1

[Article by Kegaisamang Tau]

[Text]

RAMOTSWA: Farming aid schemes through which the Government encourages farmers to produce more food by granting them funds or giving soft loans are more appreciable during drought periods.

This comment was made

by the Agricultural Officer, Mr David Dialwa, in an interview with BOPA last week.

Mr Dialwa warned that government assistance should not be used for unproductive purposes and self gain. He added that there had been several cases of

cheating made by some farmers during the implementation of the three national farming policies.

He however said he had been impressed by the implementation of the three drought schemes, destumping, seed distribution and draught power schemes which he described as having been a success.

In the South East District 292 farmers were able to destump 605 hectares of ploughing land with Government paying P30 to P50 per hectare for each one of them.

In the seed distribution scheme, he said, 3 500 farmers were given 65 960 kilograms of sorghum and maize seed in equal proportions.

Another total of 1 148 farmers were assisted to plough and plant 283 hectares of land each one of them paying only 15 percent of the expenses. Such farmers used this aid scheme to plough between one and three hectares of land, he further said.

According to Mr Dialwa, farmers continued to flock his office making enquiries about acquiring more aid.

Asked about problems he encountered during the implementation of the agricultural aid schemes, Mr Dialwa said he believed they

had done their best to satisfy farmers despite the pressure of work his insufficiently staffed district office faced.

He expressed optimism about the condition of crops in the Balete area, but expressed concern that Tlokweng had unfortunately received less rainfall this year.

BOTSWANA

## ABSENTEE LANDLORDS SHOULD SELL FARMS TO NATIONALS

Gaborone DAILY NEWS in English 26 Feb 85 p 2

[Article by Bapasi Mphusu]

[Text]

PARLIAMENT: Absentee landlords should sell their undeveloped farms to Batswana so that agricultural development could go on, the MP for Bobirwa, Mr Walter Mosweu, suggested in Parliament Thursday evening.

Making his comments during the debate on the budget speech, Mr Mosweu said that there were many landlords who owned farms in Botswana but stayed in South Africa and other countries. He added that their farms were lying dormant, and stated that if they did not want to develop them they should sell these farms to Batswana.

He said he hoped that the ministry concerned would do something about these absentee landlords. He also called on the government to negotiate with South Africa so that ESCOM electricity could be pulled to the Tuli Block for farmers in that area to use power for irrigation.

Mr Mosweu also suggested

that the government must try to dam most of the rivers to encourage irrigation schemes in the Tuli Block.

On livestock conditions, the MP complained that in his constituency there was no vaccine supplied, and stated that this was another way of encouraging cattle mortality.

The Member of Parliament for Lobatse/Barolong, Mr Ronald Sebego, requested the Ministry of Agriculture to supply more information on the proposed irrigation farming in the Okavango and Chobe areas.

Mr Sebego also suggested that big commercial farmers should be helped by the government because their produce could substitute food imports.

On the Botswana Meat Commission (BMC), he said that the workers there were living in squalid conditions. He added that BMC employees worked harder than everybody in the country but the commission disregarded their conditions.

CSO: 3400/866

BOTSWANA

ONLY ONE IN THREE POSTS FILLED IN RAILWAYS DEPARTMENT

Gaborone DAILY NEWS in English 26 Feb 85 p 2

[Text]

PARLIAMENT: Members of Parliament were last week told how 18 of the 54 established posts in the Railway Department had been filled.

Mr Colin Blackbeard, the Minister of Works and Communications, when answering a question from member of Parliament for Tswapong South, Mr Gaefalale Sebeso on Thursday said 18 of the established posts had been filled with expatriate officers - railway project coordinator, railway implementation officer, chief financial controller, chief civil engineer, chief signal and communications engineer, district civil engineer and two traffic instructors.

The other officers were local viz - chief accountant, principal industrial relations officer, principal personnel officer, senior accountant,

administration assistants, one personal secretary and two typists.

He also explained that the offices of the Railway Department were temporarily located in the Ministry of Works and Communications headquarters here.

He added that after the take-over, which is scheduled for January 1, 1987, the headquarters would be shifted to Francistown as already decided by the Government.

Mr Sebeso had asked the Minister to brief the House in accordance with Railways Act 1984 as to how many staff units and of what calibre the Permanent Secretary has in his railway office.

Mr Sebeso had asked the Minister to say where in Botswana are their offices located and whether the said offices were currently occupied.

CSO: 3400/866

BOTSWANA

DECENTRALIZATION SYSTEM PROVES TO BE EFFECTIVE

Gaborone DAILY NEWS in English 27 Feb 85 p 1

[Article by David Matshediso and Marshall Tladi]

[Text]

SEROWE February 26: The system of decentralizing local administration through the four pillars of District Administration, Council, Tribal Administration and Land Board is proving to be very effective, said the District Commissioner Mr B.K. Sentle.

Mr Sentle was briefing the President Dr Q.K.J. Masire on developments in the districts at the official opening of the Rural Administration Centre here on Friday morning.

The District Commissioner said the office block will strengthen as well as integrate district administration for more effective developments.

Mr Sentle said his district is disturbed by the drought situation which has adversely affected the area especially Bobirwa and Boteti areas.

He disclosed that over the year 1984/85, Labour Based Drought Relief Projects engaged about 13 000 people. A total of P2 423 815 was spent on the projects.

Mr Sentle said the projects include building of dams, clearing bush for road construction, drift fences construction and building of

houses for extension staff.

He said 1 767 people are involved in the stumping of sorghum for primary schools. Each is paid P1 per day and at the end of last year P267 336 was spent on such projects.

The District Commissioner pointed out that P115 700 was spent on purchasing cattle for slaughter for school children.

Under the feeding scheme, Mr Sentle said about 128 people within the vulnerable groups are fed at clinics.

He disclosed that the Ministry of Local Government and Lands has instructed his district to make P156 000 available for the grading of the roads cleared through drought relief.

Present at the opening ceremony were, Mr Moutlakgela Nwako, Minister of Commerce and Industry, Mr Lesedi Mothibamele, Minister of Local Government and Lands, Minister Collin Blackbeard of Works and Communications and other dignitaries.

Traditional music and dancing by students from schools in the district highlighted the occasion.

BOTSWANA

BRIEFS

REFINING CONTRACT--BCL a subsidiary of Botswana RST, has signed a longterm refining and metals purchase contract with Falconbridge International. The contract is subject to the satisfactory termination of BCL's existing matte purchase agreement with Amax Nickel Inc and to agreement by the many lenders to the BCL project. The contract provides for delivery to the Falconbridge refinery at Kristiansand, Norway, of approximately 6 500 tons of matte in 1985, 21 000 tons in 1986 and 42 000 tons annually from 1987 until the end of the contract in 1999. The nickel and copper contents of the matte are approximately 36 percent and 41 percent respectively. [Text] [Johannesburg THE CITIZEN in English 23 Mar 85 p 17]

CSO: 3400/862



ETHIOPIA

GOVERNMENT INTENSIFIES OFFENSIVE AGAINST PLF

London AFRICA CONFIDENTIAL in English 13 Mar 85 pp 4-5

[Text]

The Ethiopian government has increased its military offensive against the *Tigray Peoples' Liberation Front* (TPLF) guerrilla movement. The exercise started on 17 February, on the eve of the TPLF's 10th anniversary, when 10,000 celebrating Tigrayans were bombed by two Mig-23s at Abi Adi, a town that has been under TPLF control for six years. About 15 were killed and over 100 injured. The next day Mig-23s again attacked Abi Adi, and air strikes were made in western Tigray on the towns of Shiraro and Endabaguna.

Late in February a large number of troops (probably consisting of five brigades and at least one tank battalion) moved to the east of the Asmara-Addis Ababa highway. Government garrisons at Alamata, Balla and Chercher were reinforced with troops from the Danakil campaign in Eritrea, and by units from the 1st division (central command) and north-western command. The central command HQ was advanced northwards from Addis Ababa to Balla, which was promptly visited by several Soviet military advisers and the Ethiopian minister of defence **Tadesse Gebre Kidan**.

On 1st March the 6th mechanised brigade moved out from Chercher into nearby villages. The TPLF claims to have counter-attacked and to have taken a few prisoners, three tanks, a truck and ammunition. Shortly after a French relief aircraft landed at Lalibela in Wollo province to find the airstrip there under TPLF control. At about the same time the TPLF overran the government garrison at Allale Selula, 50 kilometres from Woldia, also in Wollo province.

The TPLF's strategy is probably to gain control of a section of the north-south highway, thus cutting the supply-lines to the government troops further north.

With the upsurge in fighting and the worsening effect of the drought, the *Relief Society of Tigray* (REST) is almost overwhelmed by the flood of destitute families travelling westwards from the drought-stricken western highlands to Sudan. There are 40 REST transit camps along the way and three huge holding camps where the road enters the western lowlands. From there 1,000 people a day are crossing into Sudan. According to REST, 65,000 people are on the road now; a million have stayed behind, too weak to move.

Five consortia of voluntary agencies are working with REST in Tigray: *Mercy Corps International* and *Lutheran World Relief*, both US-based; the *Tigray Transport Programme* (TTP), made up mainly of British, Benelux and Scandinavian non-government organisations (NGOs); the *Emergency Relief Desk*, funded by European church agencies; and a group of about a dozen Canadian NGOs.

The first three consortia have contributed \$7.25m for buying food from the western lowlands where there is still a food surplus. REST's fleet of 60 trucks (soon to be increased by 70), provided by TPP, take in about 1,500 tons of grain a month. The NGOs are also helping with soil conservation schemes, tools and seeds. But the total of the above assistance is only meeting 5% of Tigray's current food requirements.

Early this month, shortly before the arrival in Sudan of US vice-president **George Bush**, American officials in Khartoum were talking seriously of providing food that could be leaked from Sudan into Tigray and Eritrea. Part of the 45,000 tons of American wheat and sorghum due to be delivered to eastern Sudan by the end of April will almost certainly be taken across the border by *Mercy Corps International* and *Lutheran World Relief*. Whether

or not the scheme develops into a systematic food corridor to the north will depend on the Ethiopian government's reaction.

Meanwhile reports from the border town of Kurmuk in Sudan's Blue Nile province confirm that a number of Tigrayan refugees are fleeing the Ethiopian government-organised resettlement camps around the town of Asosa in Wollega province (AC Vol 26 No 1). By last month there were 1,000 Tigrayans in Blue Nile province, and 10-15 are crossing every day ●

**ETHIOPIA: THE ERITREANS' NEW UMBRELLA.** The merging of three Eritrean guerrilla factions into the *Eritrean Unified National Council* (EUNC) at the end of January was not a widely-hailed event. Past mergers between the Eritreans have come to nothing. And by far the biggest and militarily most powerful group, the *Eritrean Peoples' Liberation Front* (EPLF), declined to participate in EUNC. The new umbrella is thus composed of **Osman Saleh Sabbe's** *Eritrean Liberation Front-Popular Liberation Forces* (ELF-PLF), **Abdullah Idris' ELF-Revolutionary Council (ELF-RC) and **Abdulkadir Gailani's ELF-Revolutionary Committee**.**

The EUNC has a 15-member governing council headed by **Yohannes Zereh Mariam**, the Christian vice-president of the ELF-RC, and a five-man executive committee headed by **Osman Saleh Sabbe**. Apart from the three factions' leaders, the Executive Committee contains **Saleh Ayeh** (of the ELF-RC), in charge of external relations, and **Muhammad Said Nowoud**, in charge of information.

The new movement is the culmination of over two years of Arab (mainly Saudi) diplomacy. Saudi security official **Abdullah Rahabre** has been present at all stages of the often tense negotiations - the provisional Jeddah agreement between the three factions in January 1983, the failure of a rapprochement between the ELF-PLF and the EPLF in Kuwait in December 1983, the adoption of the Jeddah agreement by the ELF-PLF congress in the Barka region in May 1984, a further formal ratification of the agreement between the three factions in Khartoum in June 1984, and a visit by the leaders of the three factions to Abu Dhabi in July and of Sabbe and Gailani to Baghdad at the beginning of August.

Present at the announcement of EUNC's formation was the **Iraqi Ambassador to Sudan**, as well as representatives of **Morocco, Syria, South Yemen, the PLO** and a number of Ethiopian guerrilla groups, including the *Oromo Liberation Front*. With such broad-based Arab backing, the EUNC, despite its prominent Christian chairman, may yet become the significant Muslim alternative to the Christian-dominated EPLF. Already

Saudi largesse has meant that the ELF-PLF enjoys significant backing in the Eritrean refugee camps in Sudan.

EUNC says it aims for the independence of Eritrea. However, many elements in it, including the ELF-PLF, have in the past indicated their willingness to discuss a federal solution for Eritrea. Conditions are deteriorating so fast in Sudan that President **Nimeiri** may well seek to encourage such a solution. Not only would it set the groundwork for the return of Eritrean refugees to their homelands; it could also be matched by an agreement between Khartoum and Addis Ababa requiring the Ethiopians to stop support for the *Sudanese Peoples Liberation Army* (SPLA) which is fighting a civil war in southern Sudan.

However, this solution which is anyhow unlikely, leaves out one essential part of the equation, the EPLF, which continues to control about 70% of Eritrea and has the only military and political force there capable of withstanding the Ethiopian army. But although the EPLF also continues (in the paradoxical manner of the Middle East) to draw support from Arab capitals, it is likely to find itself under increasing pressure - from these same capitals and from Nimeiri, without whose leave its hands are tied - to link up with the EUNC.

So far the EPLF, operating from a position of tactical and military advantage under **Ramadan Nur** and **Isayas Afewerki**, has refused to make such a move. If further pressure is brought to bear, two possible scenarios could follow - either a flare-up in the Eritrean civil war between the EPLF and its rivals or a separate peace between the EPLF and the Dergue in Addis Ababa. The second scenario has so far been rejected by the EPLF for fear of compromising its revolution in Eritrea, but, in the circumstances of a viable Muslim (and, with Saudi backing, almost necessarily reactionary) front, it is just possible that such a compromise could be agreed on. It is a course of action that has often been canvassed by some of Ethiopia's allies, notably **Cuba**. The idea is backed by a number of African countries, particularly those linked in the *League of African Socialist Parties*, headed by former **Senegal President Léopold Senghor**, whose efforts in June 1984 to mediate in Eritrea came to naught ●

ETHIOPIA

NMS POLITICAL CADRES GRADUATE

Addis Ababa THE ETHIOPIAN HERALD in English 5 Mar 85 p 6

[Text]

The first batch of political cadres drawn from among the National Military Service and trained in political work for three months were graduated yesterday from the Tatek Political School.

Certificates and special prizes to the trainees were handed over by Comrade Lt. - Col. Girma Ayele, member of the CC of WPE and Head of the Organizational Department in the Main Political Administration of the Revolutionary Armed Forces.

Comrade Lt. - Col. Girma congratulated the graduates on being the first to be trained in political education from among the participants of the National Military Service and said they should be proud of being members of the Revolutionary Army which, through its sacrifice and commitment to duty, has won admiration far and near.

Comrade Girma noted that although Ethiopia is undergoing a complex and protracted struggle along broad fronts, the nation is certain to overcome all natural and man-made challenges and build socialism under the leadership of the party. He said

that all that is required to attain the desired goal is the proper discharge of individual and collective responsibility and admonished the graduates to live up to their responsibility.

Comrade Capt. Girmachew Yilala, commander of the school, said earlier that the graduates were selected for the training on the basis of their revolutionary role while previously serving in various government and mass organizations, their active participation in discussion forums and their success in the entrance tests given by the Main Political Administration. Their educational standard was attainment of the 12th grade or over, it was noted. The nature of the political training given to the graduating batch was also enumerated.

Special prizes were given to comrades with outstanding results and to civilian and military outfits and individuals who contributed to the training programme.

A ten-hectare vegetable farm developed by members of the training school and the graduates was later visited. (ENA)

ETHIOPIA

# KAFFA REGION MILITIAMEN COMPLETE TRAINING

Addis Ababa THE ETHIOPIAN HERALD in English 26 Feb 85 p 3

[Text]

A total of 885 members of the local militia drawn from five provinces of Kaffa region received certificates in Jimma Saturday upon completion of a three month military science and ideological training.

The certificates were handed out by Comrade Begashaw Atalai, member of the CC of WPE and First Secretary of the WPE Committee of Kaffa region, at a ceremony held in Jimma town.

Comrade Begashaw said on the oc-

casion the National Military Service (NMS) has enabled the youth to dedicate themselves for the national defence of the country guided by communist discipline.

Comrade Begashaw urged the militiamen to fight against profiteering merchants and contrabandists who seek to undermine the national economy.

He also advised them to provide active support to producers' cooperatives.

Earlier Comrade Major Dejene Wondim-Agegnehu, member of the CC of WPE and Military Commissar for Kaffa region, spoke on the revolutionary duties expected of the trainees and the aims of training the local militia.

Members of territorial militia drawn from various *Kebele* peasants' associations in Barka province, Eritrea region, also graduated in Asmara Sunday upon completion of a three-month training course in military science and ideological education.

Special prizes to excelling members and certificates to the graduating batch were handed out by Comrade Gebre-Egzabiher Kebedew, First Secretary of the WPE Committee for Barka province.

CSO: 3400/859

ETHIOPIA

ASSAB TOWN COUNCIL ENHANCES DEVELOPMENT ACTIVITIES

Addis Ababa THE ETHIOPIAN HERALD in English 26 Feb 85 p 5

[Text]

The port town of Assab, founded in 1887 on the Red Sea coast of north-east Ethiopia, lies 13 metres above sea level.

Assab which was founded on 12 sq. kilometers now covers an area of 3,000 hectares.

The inhabitants of Assab are now organized into 12 *kebeles* and two Highers which are administered under the Assab Town Council and are at present actively participating in urban development activities.

The residents of Assab played a pivotal role in the wake of the revolution in crushing secessionist gangs and other imperialist mercenaries plotting to derail the revolution at its budding stage.

Basic commodities are being provided through a big cooperative shop built at a cost of 826,507 birr.

The six *kebeles* organized under Higher One have opened their own cooperative shop with a capital of 160,000 birr while six other *kebeles* organized under Higher Two have acquired a similar facility with a capital of 98,519 birr.

To alleviate shortage of medicine and to curb the rising prices in the cost of drugs and to protect the consumer public from the exploitation by profiteering merchants, the Town Council has opened a modern clinic with a capital of 69,897 birr.

The council has also built 26 modern low cost houses in order to overcome housing problem in cooperation with the Assab Port Administration, the Rental Housing Administration and other institutions while the construction of 24 other modern lowcost houses is in full progress.

The council has in the meantime bought two buses at a cost of 120,000 birr to facilitate urban transport.

The Town Council has opened wide streets at a cost of 2,145,945 birr and has put into service public facilities such as bakeries, laundry, slaughter house and butchery at a total cost of 110,112 birr.

Comrade Addis Alem Assefa, Chairman of the Assab Town Council and Administrator of the town, said that more public facilities are envisaged in accordance with the needs of the residents including the opening of a piped water system. (ENA)



ETHIOPIA

MENGISTU VISITS ADDIS WATER SUPPLY SITE

Addis Ababa THE ETHIOPIAN HERALD in English 26 Feb 85 pp 1, 3

[Text]

Adequate supply of water will be available for the development of vegetables when the new water supply project for Addis Ababa is completed in the next Ethiopian year.

The statement was made during a briefing given to Comrade Mengistu Haile-Mariam, General Secretary of the CC of WPE, Chairman of the PMAC and Commander-in-Chief of the Revolutionary Armed Forces, when he visited Sunday the site of a dam for a new water supply project 12 kilometres from Gefersa, on the western outskirts of the capital.

Briefings on the new water supply project aimed at providing ample supply of water to the city's residents and for watering homestead vegetable gardens were given to the Revolutionary Leader by Comrade Lemma Gutema, member of the CC of WPE and First Secretary of the Addis Ababa WPE Committee, and Comrade Ayele Habte-Michael, General Manager of the Addis Ababa Water Supply and Sewerage Authority.

Accordingly, wide ranging studies have been conducted to facilitate water supply services, lay proper pipelines and establish water filtration centres

through improved technical knowhow to make the Legedadi Water Project fully operational with the financial aid and loan secured in line with the directives given by the Revolutionary Leader to strengthen the water supply system of the city.

It is envisaged in the new project that adequate supply of water can be obtained from the Legedadi and Gefersa water dams for a certain period of time.

The General Secretary of the CC of WPE was apprised during the briefings that adequate water resource can be tapped from underground water available in the city while existing water wells and springs were cleaned and new ones prepared to overcome temporary shortage of water.

At present there are four springs and three wells which are connected with the water supply system serving the residents of the city.

Concerning river harnessing, study is underway at present to conduct irrigational development activities by damming the Akaki River. Other than the Akaki River which is suitable for harnessing, the Kotebe River and the rivers called Luke are reported to be suitable for irrigation use. Study is



also underway to harness the Kotebe and Luke rivers for recreational use and fish breeding. A thorough study is being conducted by government agencies concerned and professionals to make the new water project feasible. At present modern sewerage filtration station has been constructed where water that is coming from different institutions, big buildings and villages will be filtered and be used for irrigation purposes.

After inspecting the site following the briefings Comrade Mengistu Haile-Mariam gave directives to the pertinent officials that the project should be accomplished with proper care to satisfy the water supply need of the residents of Addis Ababa whose number is increasing and that the culture of developing vegetables would be popularised.

Comrade Mengistu said that the dams will give valuable service to the people and reminded them to step up the construction work.

Present during the tour were Comrade Fasika Sidelel, Alternate member of the Politburo and Secretary of the CC of WPE, and other members of the CC of WPE.

CSO: 3400/859

ETHIOPIA

GONDAR SCHOOL INCREASE REPORTED

Addis Ababa THE ETHIOPIAN HERALD in English 27 Feb 85 pp 1, 6

[Text]

In the seven provinces of Gondar region 447 elementary, 22 junior secondary and 13 senior secondary schools were built and put into service with funds secured from the government and contributions obtained from the local populace during the past ten years of revolutionary struggle and victory.

It is reported that there were only 30,357 students in the 120 schools that functioned in the region in 1974 which has since risen to 121,895 as a result of the priority given to education by the revolutionary government.

The number of teachers serving in the region stood at only 930 until the upsurge of the revolution, but has now grown to 3,561 besides 693 school administration workers who are cooperating with teachers for the expansion of the horizon of knowledge of mem-

bers of the community and the implementation of the new curriculum of socialist education.

It was also reported that there are a total of 29 kindergartens in the seven provinces where 54 teachers have already been assigned in addition to the model kindergarten built at a cost of 258,000 birr by the Gondar Town Council.

A modern kindergarten built by the Council is already operational and 16 additional kindergartens are nearing completion.

Concerning illiteracy a total of 1,088,573 adults have been freed from illiteracy from the first to the eleventh round of the literacy campaign.

A total of 1,032 radios were distributed among 396 schools which receive education by radio. Twenty three adult training centres and 316 educational development centers are in operation. (ENA)

CSO: 3400/859

ETHIOPIA

GILGEL GIBE POWER PROJECT AGREEMENT SIGNED

Addis Ababa THE ETHIOPIAN HERALD in English 2 Mar 85 p 1

[Text]

A special agreement was signed yesterday between Revolutionary Ethiopia and the Democratic People's Republic of Korea (DPRK) to step up progressively the Gilgel Gibe hydro-electric power project from 150 to 800 megawatt.

A briefing was given to Comrade Fikre-Selassie Wogderess, member of the Politburo of the CC of WPE and Deputy Chairman of the Council of Ministers, on the preliminary studies carried out to implement the hydro-electric project.

The briefing was given to Comrade Fikre-Selassie by Comrade Yun Il, Vice-Chairman of the State Commission for Construction of the DPRK, and engineers of the project at a ceremony held at the National Palace.

In a statement following the briefing, Comrade Fikre-Selassie stressed the importance of the Gilgel Gibe hydro-electric project to meet the power supply needs of the country.

Recalling that the development of the country was hampered because of lack of proper effort in energy resources during the pre-revolution period, Comrade Fikre-Selassie noted that the

Revolutionary Government had given priority to this sector at present.

Comrade Fikre-Selassie further noted that the Gilgel Gibe Hydro-Electric Power Station, which will be established with the cooperation of DPRK, is projected to benefit the country in providing adequate electric power supplies to its industrial and agricultural plants and other areas of development and expedite the on-going economic construction to transform the life of the Ethiopian people.

Speaking on the occasion, Comrade Tekere-Shoa Aytenfisu, member of the CC of WPE and Minister of Mines and Energy, dwelt on the targets of the project and explained its financial aspects which includes an interest-free loan of 129 million birr from DPRK, a long-term loan of 23 to 80 million birr from the Austrian government and a grant of 11 million birr from the Government of Finland.

The Ethiopian government has allotted to the project 85 million birr in foreign exchange and an additional 140 million birr for domestic expenditure equipment and personnel.

ETHIOPIA

CORNERSTONE FOR IRRIGATIONAL DEVELOPMENT PROJECT LAID

Addis Ababa THE ETHIOPIAN HERALD in English 1 Mar 85 pp 1, 5

[Text] A cornerstone for the construction of a dam for expanding irrigational development project in Yerer-Kereyu province of Shoa region has been laid.

The cornerstone was laid by Comrade Addis Tedla, member of the Politburo of the CC of WPE and Deputy Chairman of the National Committee for Central Planning and also Chairman of the Joint Ethio-Bulgaria Commission, and Comrade Pencho Kubadinski, member of the Politburo of Communist Party of Bulgaria, Chairman of the Bulgarian side of the Joint Commission.

Comrade Addis and Comrade Pencho Kubadinski not only laid the cornerstone at Awara Melka Agricultural Development Project, but also visited fruits and vegetables plantations being developed by irrigation at Awara Melka locality.

Out of the 17,000 hectares of land planned to be developed jointly by Ethiopia and Bulgaria at Awara Melka and Yalo localities by harnessing the Kesem and Kebena rivers, 1,800 hectares of land have already been developed by Fruits and Vegetables Corporation.

It was pointed out that according to the agreement reached between the

two countries, an additional 4,700 hectares of land will be developed at a cost of 71,000,000 birr to bring the total area to 6,500 hectares. The remaining 10,500 hectares of land are to be developed during the second phase of the plan.

Plantations to be developed include cotton, tobacco, maize, sorghum and various kinds of fruits and vegetables.

Comrade Addis and Comrade Kubadinski spoke after laying the cornerstone outlining the strong relations existing between the two countries.

Speaking earlier, Comrade Fana Wolde-Giorgis, General Manager of the Fruits and Vegetables Corporation, briefed the two officials in the course of which he said that there are 20,000 hectares of land to be developed through irrigation at Kesem Kebena valley.

Present at the cornerstone laying ceremony were Comrade Geremew Debele, member of the Central Committee of WPE and Ambassador of Revolutionary Ethiopia to the People's Republic of Bulgaria, Comrade Yosef Muleta, member of the Central Committee of WPE and Minister of State Farms Development, and Comrade Ambassador Georgi Petrov Kasov of Bulgaria. (ENA)

ETHIOPIA

PARAMOUNT ROLE OF PEASANTS IN CLASS STRUGGLE STRESSED

Addis Ababa THE ETHIOPIAN HERALD in English 5 Mar 85 pp 1, 4

[Text]

The Ethiopian peasantry has wholeheartedly welcomed the national call made by our revolutionary leader in connection with tackling the drought situation in the country and is playing its proper role in meeting the challenge.

This was declared Saturday by Comrade Abdella Sonessa, member of the CC of WPE and Chairman of the All Ethiopian Peasants' Association, (AEPA), at a press conference given in connection with the tenth anniversary of the nationalization of rural land.

The proclamation providing for the return of the land to the tiller and issued on March 4, 1975 demolished the feudal mode of production, Comrade Abdella said adding that the anniversary observance is an opportune moment at which the peasant masses will rededicate themselves to the task of playing their role in the implementation of the programme devised by the Party and the Revolutionary Government to offset the disastrous con-

sequences of the unprecedented drought.

The AEPA Chairman noted that Ethiopian peasants, who have been organized from the local to the national level, played paramount role in the class struggle and made sacrifices in crushing reactionaries, reactionists and other counter-revolutionary elements. He said upwards of 6,000 peasants have been trained at the Agarfa Multi-purpose Peasants' Training Centre and are playing useful roles in improving agriculture. He said peasants service and producers' cooperatives are being established in the rural areas in sizeable numbers and help spread socialist modest of production in the hinterland. Over 3,900 service cooperatives with a membership of upwards of 4,000,000 and 1,489 producers' cooperatives with a membership of 330,418 are presently in operation, it was pointed out.

Comrade Abdella went on to observe that AEPA members are ex-

erting maximum effort to establish as many producers' cooperatives as possible in accordance with the Ten-year Perspective Plan.

He said AEPA is strengthening relations and cooperation with counterparts in friendly socialist countries as well as with government agencies and mass organizations and is applying the benefit of the experience gained in the process in helping build socialism.

Comrade Abdella pointed out that the peasantry is helping in the rehabilitation of drought victims through building shelters, providing household utensils and farm implements and ensuring the judicious utilization of soil and forest resources.

CSO: 3400/859

ETHIOPIA

DETAILS ON MARINE ENGINEERING DEVELOPMENT GIVEN

Addis Ababa THE ETHIOPIAN HERALD in English 2 Mar 85 pp 1, 3

[Text]

The Marine Engineering Development under the Marine Transport Authority, within the past half year (E.C.), has carried out repairs on many ships with loading capacities of 1,400 tons. This was disclosed in an exclusive interview with *Yezareitu Ethiopia*, the Amharic weekly, by Comrade Iyob Bariagabir, site engineer of the Marine Engineering Development. Comrade Iyob said that the Marine Engineering Development has rendered maintenance services on body, painting, (from primary to finishing) and engine overhaul to 11 ships in the last six months and for 9 ships during the previous year. He said the Engineering Development has stepped up its maintenance and repair activities. The site engineer noted that the Marine Engineering Development has transformed itself from maintaining solely small boats to a higher stage where it can now successfully handle maintenance and repair services to medium ships. He observed that this achievement was made possible especially after

nationalization and said that plans are underway to expand the capacity of the dockyard and provide better services.

Noting the perspectives and gains of development of the Marine Engineering in Massawa, Comrade Iyob said in such a time when plans are being implemented and the extension programmes are materializing the Marine Engineering Development will not only reach a better stage, where it can render full maintenance service to Ethiopian ships, that are being maintained by foreign engineering enterprises, but also will be in a position to entertain foreign ships, thereby saving and earning foreign currency at the same time.

Referring to working conditions and activities, the engineer said that particularly after nationalization, the rights of workers are being respected and productivity in labour is on the rise.

The Marine Engineering Development is the sole organization in such kind of activities and its work includes welding, overhaul, cleaning, electrical works, shaft alignment, engine overhaul and wood works, it was learned.

CSO: 3400/859



ETHIOPIA

BRIEFS

IRANIAN FOOD AID--The Ethiopian Red Cross Society (ERCS) yesterday received a donation of 51,000 quintals of food grain, various kinds of nutritious food and blankets worth 4,000,000 birr from the Red Crescent Society of the Islamic Republic of Iran. The donation consists of 32,000 quintals of wheat, 18,000 quintals of flour, 200,000 cans of food, 20,000 cans of powdered milk, 2,000 blankets and 3,000 quintals of rice. The documents for the donation were handed over to Comrade Dr. Dawit Zewde, President of the Ethiopian Red Cross Society, by Mr. Hussein Bonakedar, Advisor of the Secretary of the Red Crescent Society of the Islamic Republic of Iran. Speaking on the occasion, Comrade Dr. Dawit called on the Red Cross and Red Crescent societies to provide more relief supplies to help drought victims and stressed that the Ethiopian Red Cross Society is strengthening its relief operations by adopting a short and long-term plans with a view to rehabilitating drought-affected compatriots and making them self-supporting. Comrade Dr. Dawit Zewde also thanked the Red Crescent Society of the Islamic Republic of Iran for the donation. Mr. Hussein Bonakedar said on his part that he had witnessed the efforts made by the Revolutionary Government and the Ethiopian Red Cross Society to help and rehabilitate compatriots affected by drought and pledged that the Islamic Red Crescent Society of Iran will continue its support in the future. [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 2 Mar 85 p 3]

REYA WORK BRIGADES--SHOA (ENA)--A two-day meeting aimed at organising members of the Shoa Region Revolutionary Ethiopia Youth Association (REYA) into four work brigades is now in progress at the regional administration office. The work brigades are to provide services in various projects, production centres as well as in institutes of higher education. The participants of the meeting are being briefed by comrades concerned on the role of youth in the implementation of the Ten-Year Perspective Plan and methods of organising REYA work brigades. The two-day meeting is being attended by heads of youth affairs of provincial WPE committees, chairmen of the various REYA committees in the region, and representatives of development and educational institutes, government agencies and mass organizations in the region. Comrade Awgiehew Kefyalew, member of the CC of WPE and Head of Organizational Affairs of the WPE Committee of Shoa region, underlined the timely importance of the meeting in promoting youth participation in various development undertakings. He noted that organising the youth in such a manner will help accelerate the nation's overall development. Comrade Mekonnen Irgete, Chairman of the Shoa region REYA,

elaborated on the objectives of the meeting. [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 9 Mar 85 pp 1, 6]

YOUTH DEVELOPMENT WORK--In order to translate into deeds the national call made by the Revolutionary Leader regarding the drought problem, members of the Addis Ababa Revolutionary Ethiopia Youth Associations (REYA), are now undertaking various development activities here, according to the office of REYA committee of the capital. The committee disclosed that thousands of members of REYA are deployed in various production and distribution centres and engaged in vegetable growing activities. The youths of the city have decided during their special meeting conducted last Sunday to translate into deeds the plan formulated by the vanguard party and the national call made by the Revolutionary Leader regarding the drought problem affecting several parts of the country, the office of REYA disclosed. Meanwhile, a 1200-man brigade drawn from the Revolutionary Ethiopia Youth Association (REYA) of Kaffa region was deployed in Gura Ferda district to contribute the share expected of them in answer to the National Call made by the revolutionary Leader recently in aid of the drought-victims and effectively tackle the drought problem. The work brigade was given warm send-off while departing from the town of Mizan to resettlement site of Gura Ferda district, Gimira province by members of the WPE Committee of Gimira province and representatives of government agencies and mass organizations in the area. It is to be recalled that the first work brigade of the region consisting of 1000 youth had left here earlier for Decha district, Kaffa province, to conduct similar campaign. [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 27 Feb 85 p 6]

REYA ACTIVITIES--Chion (ENA)--Members of the Revolutionary Ethiopia Youth Association (REYA) in Chebo-Gurage province, Shoa region, are presently undertaking various development activities in their administrative zones in connection with this year's Youth Week. Comrade Mekonnen Irgete, chairman of the Shoa region REYA, disclosed that 905 youths organized in two work brigades are deployed in Tedele and Horele rehabilitation centres and are providing free service in digging wells and construction additional dwelling units. The youths dug over 384 latrines, built 72 new dwelling units and renovated 32 houses as well as collected maize crop on two hectares of land, according to Comrade Mekonnen. Members of REYA are conducting similar work campaigns in various provinces of Shoa region in a response to the call made by central committee of REYA in connect-on with Youth Week 1985. [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 3 Mar 85 p 1]

STUDENTS TO BULGARIA--A warm send-off was given yesterday for 480 youths leaving for Bulgaria for higher education. At a ceremony held at the Gulele Rehabilitation Project Centre, Comrade Berhanu Bayih, member of the Politburo of the CC of WPE and Minister of Labour and Social Affairs, presided over the send-off ceremony for the departing youth drawn from the fourteen regions, Addis Ababa and Assab provincial administration. The youth were selected for their outstanding contributions to the success of the revolution and to their services in various mass organizations. During their stay in Bulgaria in the coming five years, the batch will be trained in construction, agricultural technology, mines maintenance of ships and boats as well as in respective

fields of interest. Comrade Berhanu said on the occasion that the departees are the first group out of the 2000 youths to leave for Bulgaria and added that the scholarship opportunity was obtained thanks to the friendly relations and the cooperation agreement reached between the two countries. [Excerpt] [Addis Ababa THE ETHIOPIAN HERALD in English 5 Mar 85 p 1]

CSO: 3400/859

LESOTHO

GERMAN TRADE AGENCIES COOPERATE WITH LNDC

Maseru LESOTHO WEEKLY in English 15 Feb 85 p 6

[Article by Joe Molefi]

[Text]

TOP Executives of the German Finance Company for Investments in Developing Countries (DEG) in Cologne, and the German Agency for Technical Cooperation (GTZ) in Frankfurt, held cooperation talks in Maseru last week with officials of the Lesotho National Development Corporation (LNDC) and the Central Planning and Development Office.

The German Executives were Dr. Helmut Polzer, Project Manager of the DEG, and Mrs. Ulrike Gantzer-Sommer, Project Manager of the GTZ.

The Managing Director of the LNDC, Mr. L. B. Monyake said the Government of the Federal Republic of Germany is interested in technical cooperation with the LNDC, and also in equity participation with the Corporation to assist the LNDC in its industrialisation programme.

He said if the present negotiations between the Government of Lesotho and the Federal Republic of Germany are successful,

the DEG would take up equity in the LNDC, and the GTZ would second German technical experts to Lesotho to help in strengthening the LNDC's operations.

The German Finance Company for Investments in Developing Countries (DEG) is the German financing and consultative institution for direct private investments in developing countries.

The sole shareholder is the Government of the Federal Republic of Germany, and the DEG's share capital is currently one Billion German Marks.

The DEG focuses direct investment in German enterprise in developing countries, thus promoting German industry and contributing to world-wide economic demands of change.

The DEG also assists growth of the economies of developing countries, financing cooperation between German companies and those in developing countries on the basis of genuine partnership.

CSO: 3400/871

LESOTHO

LAND POLICY SHIFTS TOWARD RURAL SECTOR

Maseru LESOTHO WEEKLY in English 15 Feb 85 p 2

[Text]

**THE Minister of Interior and Chieftainship Affairs, Morena Sekhonyana 'Maseribane says the emphasis in the land policy is now shifting towards the rural and agricultural sectors and with projects like the Highland Water Scheme, there will be a need to decentralise the services.**

**The Minister said this last week on Friday at the official opening of the new Lands, Surveys and Physical Planning Office Block by Mr. Malcolm Leslie Rifkind Minister of State at the British Foreign Commonwealth Office.**

**This project which cost approximately M1.5 Million, consists of the main Headquarters Office, a field Survey Office at the Industrial Area and some office equipment.**

**The Minister said the erection of that building highlights the technical cooperation assistance which Lesotho has received from the British Government since independence particularly in establishing the department of Lands, Survey and Physical Planning.**

**He pointed out that at independence the department did not exist in the present form, there was a Township Survey section in the Ministry of Works until 1970, but through the British Aid Personnel and the valuable training support programme by the British Government the department was established in 1975, when the first Commissioner of Lands was recruited from Britain.**

**He said he was pleased to have a complex which will facilitate most of the functions of the department charged with Land Administration Valuation, cadastral surveying, mapping and physical planning.**

**Morena 'Maseribane thanked the British Government for having the foresight to help Lesotho government in the field of land policy.**

**He said the land resource base is so limited that it requires proper administration, use and control.**

**"To this end we have already enacted various key legislations such as the Land Act 1979, the**

Valuation and Rating Act of 1980, the Land Survey Act 1980 and Town and Country Planning 1980", he explained.

Meanwhile Mr. Rifkind said since Lesotho's independence United Kingdom has been dedicated to contribute towards Lesotho's development.

He said they have been able to involve themselves in many development projects in Lesotho such as construction of Roads and many others.

He said United Kingdom stands ready to help Lesotho over years to come.

He said this building will be a useful asset to Lesotho.

CSO: 3400/871



LESOTHO

DANISH PARLIAMENTARIANS' VISIT REPORTED

Maseru LESOTHO WEEKLY in English 1 Mar 85 pp 1, 6

[Excerpts]

THE standing Foreign Affairs Committee of the Danish parliament to Lesotho visited Lesotho Co-Operative Centre in Maseru on Tuesday this week.

At this centre, the parliamentarians were briefed on the main objective of the centre which is to offer training facilities to Basotho in co-operatives management.

From the centre the committee members were taken on a conducted tour to the nation abattoir at Khubetsoana about six kilometres out of Maseru.

This project, in co-operation with the Feedlot and Procurement system projects, is expected to provide marketing infrastructure for livestock and meat industry for the country.

In his welcome speech, Dr. Moteane confirmed that the abattoir will be operational towards the end of this year and disclosed that this new abattoir was financed by the Danish government with the sum of M20 million. Later that day the parliamentarians had talks with the Minister of Planning, Employment and Economic Affairs who is

also the chairman of the ruling party (BNP), Mr. Bets'elisetsoe Sekhonyana at BNP centre in Maseru.

Referring to the future economic situation of Lesotho, Mr. Sekhonyana revealed that the Lesotho Highlands Water scheme is expected to give Lesotho M100 million yearly when fully operational between 1990 and the year 2000.

On Monday the Parliamentarians were taken on a conducted tour of Danish Financed Developments Projects in the Qacha's Nek district.

In his remarks, Minister Makoe explained that more than 5,000 people around Manteko area benefit from the foot bridge. He said Sejabatho River, on which this M13,000 foot bridge was built had already claimed many lives.

The Minister said the Danish Programme for those foot bridges was M900,000 which covered phase one and two and now the government was negotiating for the third phase programme with the Danish government which will cover rural clinics and other foot bridges.



At the moment there are six foot bridges in Qacha's Nek district and there are 43 of them in the whole country all financed by the Danish government, while there are 21 rural clinics.

Lesotho is also getting some technical staff from the Danish government for the Rural clinics.

The parliamentarians left Lesotho on Thursday this week.

THE Prime Minister Dr. Leabua Jonathan told the visiting Danish Foreign Affairs Parliamentary Delegation in Maseru on Wednesday that South Africa's apartheid policy forms the crux of problems that stand in the way of cooperation and peaceful co-existence between South Africa and her neighbours.

The Prime Minister said South Africa's so-called political dispensation has exacerbated situation in that country and that no lasting peace can be achieved within the framework of apartheid.

He added that this policy has created a lot of problems not only in South Africa but also between that country and her neighbours.

Citing the refugee problem as an example, Dr. Jonathan said however Lesotho will continue to fulfill her international obligation of accepting refugees on condition they accept and abide by their conditions of asylum.

The Prime Minister said if no solution is devised to quickly dismantle apartheid, the current levels of desperation among the black people of South Africa will soar even higher with grossly unpalatable consequences.

On Namibia, Dr. Jonathan said Lesotho is con-

vinced that the confrontation between South Africa and SWAPO will escalate if the United Nations Resolution 435 is not implemented soon.

If the question of the linkage of Cuban troops in Angola to Namibian independence is not removed, matters will take a turn for the worse, he added.

Speaking on the internal political situation in Lesotho, the Prime Minister said that after the coming elections whose date may be announced soon, he hopes to have a loyal opposition in parliament in contrast to the behaviour of the opposition of the Basotuland Congress Party.

He said it is the disgraceful behaviour of the opposition which is responsible for the diminishing support of those parties by Basotho who are self respecting people.

In answer to a question on the candidature of women in the coming elections, Dr. Jonathan said Lesotho ranks among the few African countries which have accorded women the same rights as men.

He added that not only are they free to contest the coming elections, but women in this country have the opportunity to occupy some of the highest positions in the civil service.

The Prime Minister told the Danish parliamentarians that he is a firm believer of democracy as handed down from Moshoeshoe I and that Basotho would never allow the introduction of totalitarian government as much as they would never allow for the introduction of communism in this society.

LESOTHO

BRIEFS

MORIJA WATER SOURCE--THE Morija Water supply system which was inaugurated by the Prime Minister Dr Leabua Jonathan last Saturday, is part of a six-town development project financed by the government of the Federal Republic of Germany, at the total cost of M12 million. The other five towns are Peka, Maputsoe, Qacha's Nek, Butha-Buthe and Mapoteng. According to the water engineer provided to Lesotho under German Technical Assistance, the Morija project cost M600,000 and water is pumped from seven boreholes to a reservoir. The water is then distributed by gravity to 47 public stand pipes and 32 private connections. The water source is thought to be almost inexhaustible because it is drawn from the table underground. [Text] [Maseru LESOTHO WEEKLY in English 8 Mar 85 p 1]

SOCKS FACTORY--AGREEMENT on the manufacture of socks for men in Maseru has been reached between the Lesotho National Development Corporation (LNDC) and a South African industrialist with many years' experience in the knitwear industry. A Lesotho-registered company, L.K.M. (Proprietary) Limited will manufacture a wide range of socks for men at the Maseru Industrial Estate, for both the local market and for export. The Managing Director of the LNDC, Mr. L. B. Monyake and the Managing Director of L.K.M. (Pty) Ltd., Mr. William Driver signed the loan and lease agreements in Maseru last week, to prepare for the start of the project. Mr. Monyake said the investment in the project is M360,000. The LNDC has provided a loan of M220,000 to the promoter of the project who will provide the balance of M140,000. The investor will move into a factory building which is ready for occupation in Maseru's Industrial Estate, towards the end of February, when machinery will be installed. Production is expected to start at the beginning of March, and it is planned to create new jobs for 70 Basotho workers when the project is in full production by the first quarter of 1986. It has been estimated that the socks factory will produce about one million pair of men's socks per annum. [Text] [Maseru LESOTHO WEEKLY in English 15 Feb 85 p 1]

ROAD IMPROVEMENTS--AN amount totalling more than M15 Million will be used for rehabilitation of a 107 kilometre road between Leribe and Masianokeng, according to a press release from the Ministry of Works. The road going to Leribe will be widened to four-lanes for about 1.7 kilometres from the traffic circle in Maseru while the Maseru/Mafeteng road will also be widened to four-lanes for about 4 kilometres from the traffic circle in Maseru. Included in the construction are a new two-lane extension of Tsoaing Bridge, Phuthiatsana

Bridge between Leribe and Berea and widening of the Lekoantlana Bridge. The project is financed by the African Development Bank (ADB), World Bank and Lesotho government. The contracts have been awarded to Stirling International Civil Engineering LTD of the United Kingdom and A. B. Skanska Cementgjuteriet Sweden. The engineering supervision is being conducted by Louis Berger International of the United States of America and the overall monitoring of the operations is done by the Roads Department of the Ministry of Works. The work is expected to be completed within two years. The public is therefore made aware of traffic deviations along the road from time to time for the next two years. [Text] [Maseru LESOTHO WEEKLY in English 1 Mar 85 p 1]

CSO: 3400/871

MOZAMBIQUE

LISBON-BASED RENAMO HEAD COMMENTS ON BOTHA'S REMARKS

Astonished by Reports of Mafia Tactics

Johannesburg THE CITIZEN in English 18 Mar 85 p 4

[Article by Tim Clarke]

[Text] DURBAN.--Mr Jorge Jardim, who is the chief backer of the Renamo resistance movement in Mozambique, told The Citizen from Lisbon that he was "astounded" by the comments made by South Africa's Foreign Minister, Mr Pik Botha, in Johannesburg at the weekend.

Mr Jardim, a fierce opponent of the Machel regime said the only thing he had seen were newspaper reports about Mr Botha's comments that "a mafia-style crime and political syndicate" was backing rebels and had been smashed in South Africa.

'Way off Mark'

Mr Jardim said: "He is way off the mark. I will not comment further at this stage, but surely he knows better than anybody else that Samora Machel is loathed by the majority of people in Mozambique.

Mr Jardim refused to comment on most questions put to him but vowed the struggle against President Machel would go on.

Mr Jardim was the chief backer of Fico, which, in the time of the takeover of Mozambique by the Frelimo authorities, fiercely resisted the move.

He is known to have contacts throughout Portugal and South America, where he is linked to many members of Pide, the security organisation which controls Mozambique and which was allegedly involved in terrorising the local population before Samora Machel came to power.

Counterfeiters

Mr Botha said that part of an international network of support for anti-government rebels in Mozambique has been traced by police to a banknote counterfeiting operation in Johannesburg.

The Minister told a Press conference in Pretoria, marking the first anniversary of the Nkomati Accord, that the Mozambican government had at no stage accused South Africa of violating the non-aggression pact.

However, he added, South Africa was investigating allegations that assistance to the rebel Mozambican Resistance Movement (Renamo) was still emanating from South African territory.

"They (the Mozambican government) are very suspicious that Renamo is still being supplied with arms and equipment from South Africa, Malawi, even Kenya and other African countries," Mr Botha said.

South African Police, following up the Mozambican allegations, had uncovered the Johannesburg counterfeiting operation, which was also apparently responsible for printing large volumes of anti-Frelimo propaganda, Mr Botha said.

Two of the main counterfeiters, whose fake R50 and US 100 dollar notes were allegedly used in smuggling deals, had escaped to a European country, which Mr Botha did not identify.

Several other people had been arrested and would appear in court soon, he said.

Mr Botha said the police had seized large amounts of counterfeit money and propaganda sheets.

#### Mistaken Identities

Johannesburg THE CITIZEN in English 20 Mar 85 p 25

[Text] DURBAN.--Mr Jorge Jardim, who commented to The Citizen from Lisbon, Portugal, to a statement made by the South African Foreign Minister, Mr Pik Botha, is not related or connected in any way with Mr Jorge Jardim, who died about two years ago in Gabon.

The man who gave the comments to The Citizen ends his surname with "N" while the late Mr Jardim ends his surname with "M".

When the story was published there was confusion, and many people phoned The Citizen pointing out that Mr Jardim, an agricultural engineer, had died two years ago.

The Mr Jardim quoted in The Citizen is regarded as "a backroom boy" in the Renamo movement, but is nevertheless a powerful figure in the organisation thought to be connected mainly with the purchase of arms although this has never been proved entirely and Mr Jardim will not talk about it.

He played a leading role in the establishment of Fico, which virtually means "we stay" after mainland Portugal decided to hand over Mozambique to the Frelimo movement.

Mr Jardin was accused of atrocities during the Portuguese war with Frelimo by Frelimo leaders, but this was also never proved. He left Mozambique suddenly before the Machel regime took over. He is a short, stockily built man who speaks poor English.

It was also alleged by Frelimo that through "corrupt practice", he managed to leave Mozambique with a substantial amount of money.

As far as can be established Mr Jardin has strong connections with the Portuguese community in South America. There have been attempts by the Portuguese Government to try and isolate him to stop him helping the resistance movement, but so far these appear to have failed.

Mr Jardin is about 59 or 60 and was married at one time. His present status is not known as he was estranged from his wife while he was living in Mozambique.

CSO: 3400/862



MOZAMBIQUE

RESISTANCE MOVEMENT MAY BE RECEIVING AID FROM ARABS, EUROPE

Pretoria DIE AFRIKANER in Afrikaans 6 Feb 85 p 5

[Text] Scapegoats are now being sought for the continued activities of the Mozambique Resistance Movement (RENAMO) and the subsequent failure of the Nkomati Treaty.

According to the latest press reports the Mozambican government now suspects "right wing elements" in South Africa and a "conspiracy" in European capitals for helping RENAMO. A Johannesburg Sunday newspaper moreover asserts that a very rich Spaniard, a certain Manuel Bulhosa, is playing a key role in the activities of RENAMO.

The war between the anti-communist RENAMO and the communist Mozambican government is now increasing in intensity. According to reports 10,338 died in Mozambique last year. The Mozambican government claims to have killed 2,331 rebels in 1984, while RENAMO asserts that it killed 7,653 government troops.

The puzzle that remains unanswered is who is providing military supplies to RENAMO. Towards the end of last year the assertion was made that RENAMO was receiving aid from Arabian countries and that the Comoro Islands, on the east coast of Africa, were being used as a base for providing this help. Mr Pik Botha, the South African minister for foreign affairs, shortly thereafter went to visit East Africa, evidently for the purpose of exercising pressure for stopping this sort of help.

In a recent conversation Mozambican President Samora Machel said that the planners of the "conspiracy" against Mozambique are to be found in European capitals. They are receiving logistical help from individual organizations located in the neighboring countries of Mozambique. Other statements say that "right wing elements" in Portugal and South Africa are responsible for aiding RENAMO.

According to Johannesburg's SUNDAY TIMES a very rich Spaniard, Mr Manuel Bulhosa, is RENAMO's most important financier. He is said to have been warned by Mr Pik Botha about his continued aid to the rebel movement.

Buhlosa is believed to wield a great deal of power in Portuguese pro-right

politics; however, "diplomatic sources" in Lisbon are of the opinion that the South African government is trying to make him the scapegoat for the failure of the Nkomati Treaty.

The 82 year old Bulhosa had extensive financial interests in Mozambique before the country was taken over by the communists in 1975. He is now living in Brazil, but has a majority of shares in a publishing house in Portugal and farming interests in both countries as well as contacts with Middle East oil interests.

Two senior officials of RENAMO, Messrs Evo Fernandes and Jorge Correai, were previously connected with Mr Bulhosa's publishing business.

Bulhosa is being regarded as a key figure in RENAMO's successful military actions and reportedly his financing is enabling the rebel movement to continue its activities.

7964

CSO: 3401/122

NAMIBIA

REPORTAGE ON O'LINN'S ASSEMBLY SPEECH

SWAPO Ceasefire Urged

Windhoek THE WINDHOEK ADVERTISER in English 6 Mar 85 p 3

[Text]

**SWAPO SHOULD ANNOUNCE** a six-month trial ceasefire in the hope that South Africa will respond by agreeing to implement United Nations Security Council Resolution 435, former leader of the Federal Party, Mr Bryan O'Linn said yesterday.

Officially opening the Owambo Legislative Assembly at Ongwediva, Mr O'Linn said there were several alternatives for the Namibian people.

"My plea to you is to strive at all times for true reconciliation and an honourable peace" in terms of Resolution 435, which is the peace plan recognised by the whole international community and which is nationally acceptable.

Alternatively, there should be support for a countrywide referendum on whether Resolution 435 should be implemented immediately in order to remove any doubt that it is "nationally acceptable".

A third possibility was to support a call for a further conference of all Namibian parties including Swapo to meet at a neutral venue to discuss the speedy implementation of Resolution 435.

Mr O'Linn said no alternative to the Resolution

had yet seen the light, "but in circles close to the Government and MPC, some form of interim government is confidently predicted for June/July this year.

"Such an interim government will in all probability not gain international recognition, and will therefore not bring peace, international investment and expertise or solve any problem of importance.

"The simple fact is that if SA succeeds in setting up some form of transition government or UDI, it will have more scope to delay or totally avoid implementation of Resolution 435."

Mr O'Linn said he did not believe the country's salvation lay with the MPC.

It had failed to say whether or not it accepts Resolution 435, whether it wants implementation or not, and whether it is proposing an alternative.

He said the National

Party representative in the MPC, Adv Eben van Zijl had been quoted as saying: "The MPC has never linked itself to Resolution 435; in the Windhoek Declaration it is very clearly stated that it is the only concrete plan at present accepted by SA, the Security Council and the Western Contact Group. Nowhere has it been said that it is the only plan accepted by the MPC."

Mr O'Linn said the MPC's stated aim of drafting "a permanent constitution for SWA/Namibia" within the framework of phase one of the Western settlement plan" would usurp the function of the Constituent Assembly to be elected in terms of Resolution 435.

It seemed as if SA, backed by some internal parties, hoped to destroy Swapo militarily by forcing the Angolan Government to close down Swapo bases in Angola or by assisting Unita to seize power or be included in the Government.

It was argued that once Swapo is defeated, it would be forced to negotiate with the MPC and if Swapo still refused it could be safely ignored.

Mr O'Linn said if this scenario became a reality Resolution 435 would truly have been overtaken by events and become redundant.

He said this was a miscalculation because "even a military defeat would not defeat the aspirations of the people..."

"The insistence on capitulation and unconditional surrender by Swapo would not be a just peace and therefore no basis for true reconciliation and peace."

Mr O'Linn said there was a conspiracy of silence concerning Resolution 435 in television and news programmes, the information services and the press owned or controlled by some internal parties or sympathetic to them.

"On the other hand, the MPC is blown up out of all proportion to its real accomplishments.

"Swapo's attitude to peace and free and fair elections as well as that of the internal parties outside the MPC, is misrepresented from day to day."

Swapo was accused of being only interested in power through the barrel

of a gun because it did not want to unilaterally stop violence and join the MPC.

Swapo wanted to sign a ceasefire as an integral part of the implementation of Resolution 435 which had been agreed upon by SA and most of the internal parties.

Mr O'Linn said it was an unchangeable reality that

the international community had a vested right in the achievement of Namibian independence and "anyone today who propagates solutions which are not or will not be internationally recognised is either stupid or malicious or both and is misleading and betraying the people of this country."

### Further Reportage

Windhoek WINDHOEK OBSERVER in English 9 Mar 85 p 35

[Text]

In his address Mr O'Linn said that it would appear that South Africa, backed by some internal parties, was hoping to destroy SWAPO militarily, *inter alia* by forcing the MPLA Government in Luanda to close down SWAPO bases in Angola, alternatively by assisting UNITA to take over the Government of Luanda or to be included in such a government.

It was furthermore argued that once SWAPO was defeated militarily it would be forced to join the MPC at the conference table and if SWAPO would still refuse, they could safely be ignored.

Mr O'Linn said if this scenario should become a reality, then Resolution 435 would truly have been overtaken by events and become redundant.

In his submission this was a miscalculation for even a military defeat would not defeat the aspirations of the people, in the same way as the military defeat of the Boer Republics by the British in the war of 1899-1902, did not destroy the aspirations of the Afrikaner and neither the continuation of his struggle.

Mr O'Linn said that in his view the insistence on capitulation and unconditional surrender by SWAPO, would not result in a just and honourable peace and therefore would be no basis for true conciliation and lasting peace.

He warned that this should be remembered by those waiting in the wings to take SWAPO's place, once South Africa had made the kill.

He said that South Africa professed to strive towards an accommodation and *modus vivendi* with Frelimo in Mocambique, the MPLA in Luanda and all the Frontline States, yes even with the OAU, and one wondered what had happened to the *communist bogey* and *total onslaught*.

He said if South Africa could suddenly live with Frelimo and the MPLA, why then not

with a government elected by South West Africans in terms of Resolution 435 to which South Africa had previously agreed? And of course, if the South African Government and the MPC really believed that SWAPO was no longer a factor or had very little support, then what was the problem?

Mr O'Linn said that over the years South Africa had done everything in its power to encourage and even create an anti-SWAPO front in South West Africa. Was it then not overdue, he asked, to allow the people of this country to decide in free and fair elections?

Mr O'Linn said South Africa need not to worry too much about the Cubans because the Cubans had apparently been unable to protect Angola from South Africa and Unita. Even though Resolution 435 provided for a gradual troop withdrawal, South Africa was entitled to keep a formidable deterrent force at or near the borders of South West Africa in Walvis Bay and Upington.

In his view, he said, it was more likely that a settlement in South West Africa first, would make an overall settlement in the whole southern Africa region more likely.

It was in any case not fair that the independence of South West Africa was now made dependent on a package deal with other states. He said that continuation of the present checkmate was not in the interest of the people of this country and neither in the interest of South Africa and the United States. Both the United States and South Africa should reconsider their policies in the letter and spirit of their obligations to the people of this country as contained in the sacred trust of civilisation and in the spirit of true reconciliation. In particular these two countries should take all reasonable steps to reach a speedy and fair compromise solution on the linking of Cuban military withdrawal from Angola and thus open the way for true conciliation and implementation of Resolution 435.

## Salvation Will Not Come From MPC

Mr O'Linn in his merciless address, made a few biting remarks about the Multi-Party Conference. He said there was of course the continuous unsatisfactory position that the Administrator-General constituted the Central Government.

This factor was widely recognised, but in some MPC circles and sources close to the South African Government this fact was exploited to prepare the ground and create the climate for some form of *interim government* or responsible government or a unilateral declaration of independence with South Africa's consent, but outside the settlement in terms of Resolution 435.

It was noteworthy, Mr O'Linn said, that these people never use this argument as a reason to press for implementation of Resolution 435.

The explanation was obvious, he said, for they wanted to ensure that they would be the future government or that their protégés would be in such a government.

The simple fact was that if South Africa succeeded in setting up some form of transition government or UDI, it would have more scope to delay or totally avoid implementation of Resolution 435, and said Mr O'Linn, it would then be a classic example of divide and rule.

If however, it failed to set up such a government it would be more difficult, if not impossible, to delay indefinitely or to avoid implementation of Resolution 435 because then it would face the united stand of all the political parties in the country. The MPC

had not yet concluded its deliberations and the final judgment could only be given once this had happened, Mr O'Linn said.

He said that quite frankly and in all humility and with due respect to the many people with good intentions, he did not expect the country's salvation to come from the MPC.

'My plea to you is to strive at all times for true reconciliation and an honourable peace in terms of the peace plan recognised and supported by the whole international community and which is *nationally acceptable*, namely that known as Resolution 435 of 1978.

'Alternatively, to support a call for a countrywide referendum on whether or not the aforesaid peace plan should be implemented immediately, in order to remove any doubt that it is also *nationally acceptable*.

'In the further alternative, to support a call for a further conference of all South West African parties, including SWAPO, to meet a neutral venue under the chairmanship of President Kaunda or some other statesman of international repute, to discuss only one question - namely the speedy implementation of Resolution 435 of 1978.

'A call on SWAPO to seriously consider as a gesture of goodwill and in spirit of true reconciliation, to announce and maintain a ceasefire for a trial period of six months in the hope that South Africa will respond by agreeing to implement Resolution 435 of 1978,' Mr O'Linn said.

CSO: 3400/858



NAMIBIA

SWANU STRATEGY, PRINCIPLES EXAMINED

Windhoek WINDHOEK OBSERVER in English 9 Mar 85 p 26

[Text]

In the advertising supplement by SWANU in the Observer of February 22, 1985 there is much I appreciate and even can be in full agreement with. The crucial question I will leave aside for the time being.

I do have to acknowledge that I had to appeal to poetic justice in translating some of the political clichés in Mr Moses Katjiuongua's 'Appeal' into concrete proposals. But let me assure him that the translation has been as charitable as possible.

● When Katjiuongua speaks of 'no necessary power struggles', of 'the need for national reconciliation and unity as being crucial....to peace and stability after independence', of 'a constitutional blueprint which must accommodate the aspirations and concerns of our people' etc., I take him to mean that the *political groupings must be flexible enough to meet each other halfway*. This is a laudable intention and will be appreciated by all except the lunatic right and the demented left: totalitarian bedfellows.

● Katjiuongua quite rightly remarks that 'politics is not about mere survival but about political choices and alternatives and an action programme to achieve any chosen alternative course of

action'. In terms of the language of the man in the street this implies two all-important conditions.

● There must be some *strategy* to achieve the aim of reconciliation and unity. For SWANU this is to be achieved through the Multi-Party Conference. The MPC is to define a commonly agreed to procedure to bring about independence which will be internationally acceptable and internally hegemonic. So far so good.

● However, the idea of meeting each other halfway does not mean that all principles must go overboard. Implicit in such a partial meeting of minds is the notion of absolute non-negotiables. Whatever argument has to be accorded, it must be reached within the *framework of specific principles*.

**LIBERAL PERSUASION**

● As of a liberal persuasion, SWANU's non-negotiables appeal to this columnist: The total dismantling of apartheid as enshrined in ethnic rule, by AG-8. I fully agree that this resulted in a 'chaotic political dispensation', with the attendant psychological effect of giving the impression that genuine progress is made towards a fully equal society - while, in fact, it only serves to perpetuate and en-

trench discriminatory practices.

I am also in agreement with the truism that South Africa's occupation is illegal. To this I will add the aside that this occupation is inextricably bound up with premeditated economic exploitation and increasing economic obligation for which we will have to pay dearly in years to come: SWAKOR.

Why was an independent commission not appointed after the damning evidence before the Thirion Commission on the diamond industry? Is the rolling stock, to the supposed value of two billion rand, which is coming South West Africa's way with the take-over of the Transport Services, being valued independently? How do we know that this rolling stock is not from South Africa's tailings dump?

Let South Africa know that we are under no circumstances still willing to take their word as their bond, and that we regard their camouflaged functionaries with the utmost suspicion and a great deal of contempt.

But to return to SWANU's strategy and the frame of principles within which they want to put that strategy to work. Separately, the strategy and set of principles makes perfectly good sense. Taken together, however, it turns out to be nonsensical.



## FRUSTRATING EXPERIENCE

To show this, this columnist has subjected himself to incredible self-punishment, a mental agony exceeding penance by self-flagellation: he has waded through Mr Kosie Pretorius' column, *Vraag en Antwoord*, in back issues of the Marconi Street Voice in order to get the views of NP/SWA on relevant topics directly from the political horse's mouth. It was rather a frustrating experience, because like the Oracle of Delphi: the Oracle of Gobabis often speaks in riddles darkly.

Furthermore, it was a rather uninformative experience, due primarily to Pretorius' weird and wonderful obsession with the Immorality Act which has already died a thousand deaths in this country - both before and after its official appeal.

Of the last seven installments, six directly concern laments on the late Immorality Act. Mr Pretorius, don't you think that your and your party's rather perverse preoccupation with the sexual habits and preferences of others might somehow be self-revealing? But, not being psychologically equipped, I merely leave the question in your midst.

In any case, this columnist will not remark on your opinions on these matters as he finds it not merely petty, but personally considers the matter in poor public taste. But I certainly will draw attention to your bigoted zealotry about these matters, as it points to a specific archaic attitude, an unwillingness to meet opponents halfway even on matters of little significance.

But what concrete facts were recovered from the column?

● Like SWANU, the NP/SWA appears to take the MPC as a strategy (26/10/84), although they do so rather reluctantly as if failure is a forgone conclusion: 'those who do not try, never fail'. Also, the continual insistence on 'identity'

(a code word I, admittedly, do not understand) carries little evidence of a give-and-take attitude imperative in sensitive contexts like these.

## WHITE INTEREST

● 'Concerning the accusation that the NP/SWA only involves itself with white interest and racism, it must be pointed out that the NP/SWA does not demand anything more than the NP claims for itself in South Africa' (19/10/84).

Keeping the South African 'new dispensation' in mind, this means ethnic rule. We have experience of such a rule, in fact, a rule infinitely more lenient than the South African variety now hailed as a 'breakthrough' - and we know that as a clever move to maintain and strengthen the privileged position of the economically dominant group: the whites. This can be taken as a non-negotiable condition of the NP/SWA despite Pretorius' paternalistic casting of his party in the role of protector by the assurance that 'every black and brown minority group are aware (meaning: can depend on) of this position' of the NP/SWA.

● Mr Pretorius' statement on the educational policy of his party is particularly revealing as illustrating the non-negotiable condition of ethnicity (2/11/84): 'The NP/SWA has a mandate from the voters to assure that the opportunities exist, not only for the pupil but for the teacher responsible for the education of the pupil, to be taught and trained in institutions the character of which does not conflict with the principles and national identity' (to appreciate the atmosphere of chauvinistic sectarianism, the latter part of the sentence must be retained in the original Afrikaans: '....inrigtings waarvan die karakters nie bots met die beginsels en lewensbeskouing van die volkseie nie' !!). To support his contention, Pretorius then quotes from the Declaration of Human Rights - a leap which will

count as valid only in the questionable logic of nationalist egotism: 'Every child shall enjoy the right to have access to education on the matter of religion or belief in accordance with the wishes of his parents'.

Mr Pretorius, the liberal does not want to deny your children that right, or even the 'right' to indoctrination of racial superiority.

### POLITICAL FOLLY

What this columnist object to is to the taxpayer picking up the bill for the political folly of others. By all means, have your segregated schools, your *Windhoek Onderwyskolleges*. But let parents and 'charitable bodies' like the *Kultuurraad* pay for this dubious privilege.

The state is to be excused from paying for your planning mistakes: The WOK must supply the most expensive per capita training per the pathetically low intake of less than one hundred students this year. This is not because of the quality of training (which just could be very good, for argument's sake) but because approximately R30-million has been 'invested' in the 'campus'.

We don't want to be party to this offence against our underdeveloped country.

● An extract from the Pretorius anthology, this time on independence (16/11/84): 'Minorities in South West Africa, especially the whites, were manipulated overnight to accept an in-

dependence plan based on majority compulsion, without being able to ward it off'. This speaks for itself.

● While reading *chronologically* through Pretorius' political statements it is impossible to escape a sense of resentment against some of his party members directly involved in the MPC (26/10/84): 'Advocate Eben van Zyl is also just human and therefore fallable'.

He has also moved steadily to the right: in the context of South African politics, his pronouncements become more and more like those of the Conservative Party politicians than those of the National Party (but who in his right mind can say what National Party policy is?).

Allow me now to pose the crucial question to Mr Moses Katjuongua: How can you convince us that the MPC is not a mere talkshop when you are engaged in a discussion with people differing that radically from you, people who show no flexibility whatsoever?

How can you have a sensible discussion with people who consider sharing the mortuary, incinerator, X-ray and kitchen facilities at the planned Swakopmund hospital with other-than-whites a major concession?

It sounds like a bad racial joke. Before we can take the MPC seriously, a lot of explaining has to be done. If not, the MPC would not even deserve a footnote in the history of our troubled country.

NAMIBIA

## LANG LASHES GOVERNMENT'S MINING, FISHING PRACTICES

Windhoek WINDHOEK OBSERVER in English 9 Mar 85 pp 32, 33

[Text]

In his address to the Namibia Education Forum on Wednesday night, Mr Eric Lang again delivered a strong attack on the practices governing mining and fishing in this country. He said this country's fishing resources, its diamonds and the Tsumeb mineralisation were freak wonders of nature, among the greatest gifts of wealth any nation could have been endowed with. Over generations these resources yielded billions in wealth but what did the country have to show for it?

Mr Lang said that the answer to that questions was nothing - nothing that could produce more wealth for future generations for what was received in the form of taxes from these resources were blown on political and economical infrastructure that the country neither needed, and nor could afford to maintain.

He said it was interesting to note that the country's wealth did substantially contribute to some of the largest industrial undertakings in South Africa and even the United States. But here on South West Africa soil, the revenue producing side of the economy had been almost totally neglected.

Tsumeb Corporation and CDM, the country's largest producers of revenue for so many years, were by now very close to the end of the road. At the current rate of exploitation the same applied to the fishing industry, and there was little time left to salvage what was left to salvage of these resources.

Those, Mr Lang said, who had followed the proceedings towards the end of the investigation launched by the Thirion Commission, would have had a tantalising glimpse of how a section of the mining industry in this country really worked. Mr Lang said if this was an indication of the state of affairs in the rest of the mining industry, then any responsible citizen and organisation concerned with the economy, should demand from Dr van Niekerk the release of the complete Thirion Report as a matter of urgency.

Mr Lang said he did not wish to spend a lot of time on the mining scandals of the past but he had to stress a few matters.

Only with the Thirion Commission's evidence on mining in hand, could the country plan legislative changes regarding its mining industry. The work the Thirion Commission had done on this, comprised one of the most important volumes of researched data ever assembled in the history of this country and he was convinced that the material contained in that report would also lead to further investigation of those aspects which were out of reach to the Thirion Commission.

In his mind there was no doubt, Mr Lang said, that publication of the Thirion Commission's findings would lead to the abolition of the Mining Board which was supposed to be the control body over diamond resources, but for some reasons of his own, the South African Government representative intended not to release these documents to the people of South West Africa.

Mr Lang said to illustrate the seriousness of this situation he could mention that the Thirion Commission heard evidence that proved beyond any doubt that large scale transfer pricing by some of the largest mines in the country was costing the nation hundreds of millions in tax revenue. This matter, Mr Lang said, had been placed before Dr van Niekerk, but like so often before he had failed to take action.

Mr Lang said perhaps Dr van Niekerk still did not understand the value of the mining industry to the economy of this country. In that event he would like to spell it out in very simple language:

*No less than 70 per cent of the country's exports were in the form of minerals which obviously represented the most significant tax contribution and foreign exchange source in the country for it contributed in excess of 50 per cent of the gross domestic product.*

Mr Lang said it had become essential that

South West Africa should have its long overdue Department of Mines and a priority this department should immediately tackle was the renegotiation of the now notorious *Halbscheidt Agreement* of 1923, as a first step in the protection of the country's diamond resources.

South West Africa also needed what he called 'a natural resources council', incorporating a minerals bureau to monitor and supervise production inside the country and sales abroad.

Mr Lang said that a serious lack of expertise regarding mining products at the Receiver's office, and also at Customs, was responsible for significant losses of revenue to the Treasury and effective cooperation between the Receiver, Customs, Geological Survey and a future minerals bureau, would generate so far untapped sources of revenue. Methods should be investigated to prevent transfer pricing by way of which the Treasury was losing massive amounts in tax revenue.

For those who did not know the term, transfer pricing referred to the practice where a company was selling something to a parent company at an artificially low or high price to avoid paying taxes in the producer or receiver country.

Since none of the big mining houses in this country were locally owned, he would not be satisfied that there was no transfer pricing until objective proof had been obtained by an independent commission of inquiry, such as that of Mr Justice Thirion.

Mr Lang also referred to the 'kudu gasfield' some 160 kilometres in the Atlantic Ocean off Lüderitz. He said that he was totally unconvinced that a structure like SWAKOR could protect the legitimate interests of South West Africans in that

gasfield. Again, control over a large natural resource was slipping out of the country's hands.

Mr Lang said that he could reveal that as long ago as April 1981 South West Africa's Secretary for Economic Affairs, negotiated in Houston, Texas, an exploration agreement with a major international oil company, but at the last minute it was blocked by direct interference at cabinet level in South Africa.

He would like to hear a public motivation of this decision but he was afraid that Dr van Niekerk would keep on hiding behind a wall of silence.

Referring to the fishing industry, Mr Lang said South Africa's interests in partnership with a group of local politicians, destroyed in record time the country's coastal fisheries, one of the richest marine resources in the world.

Fishery inspection services along the coastline were so inadequate that they could simply not be taken seriously at all.

Yet fishing off the coastline last year produced approximately one million tons in protein. If one compared this figure to the production of protein in agriculture, some 80 per cent less, and at the same time compared State expenditure in these two sectors of the economy, it should be quite clear that the Administrator-General suffered from a bad case of confused priorities - R46-million was spent on agriculture and nature conservation while only R2,3-million was provided in the budget for fishing.

Mr Lang said that the size of the pelagic biomass off the coast had been shown to have declined from 5 000 000 tons in the late Sixties to 2 000 000 tons in the Seventies and presently stood at 150 000 tons. The only rational remedy, Mr Lang said, seemed to be a moratorium on pelagic fishing off the coast.

## Waste Criticized

Mr Eric Lang told a packed hall on Wednesday night at Windhoek's Thüringerhof Hotel that if Mr Justice Thirion would have still presided at a public probe today, he would have found that the total in misappropriation by second tier authorities had risen to a staggering estimated R100-million as at the end of March 1985. Mr Lang said he had a feeling that the reason why Mr Justice Thirion was not allowed to re-open the hearings, was because people discovered that he was doing his job rather well.

Mr Lang said that while the nation was facing a financial crisis of growing proportions, the representative of the South Africa Government was allowing continuation of the AG 8 system which had allowed one of the second tier administrations, being the one for whites, to hoard a mountain of

surplus cash, amounting to R170-million at the latest count.

This was the money that administration was now planning to spend on totally extravagant projects like the exclusive, segregated multi-million Rand hospital in Swakopmund and a conservatoire for music.

Mr Lang also charged that the Department of Transport was carrying on with the construction of a multi-million Rand road to Walvis Bay via the Us Pass. This was being done after the Department of Water Affairs had laid off hundreds of labourers with no possibility to turn to for there was no money to keep them. Misguided priorities such as these were not only irrational, but cruel.

Mr Lang said every indicator was making it abundantly clear that the road Dr van Niekerk was on led to one way: to increase government spending, increased waste, in-

creased taxation and sadly, increased corruption.

Mr Lang said that the second tier administrations were allocated massive amounts of money on the basis of relative population figures, with almost total disregard of broader national priorities and indeed, even their competence to spend that money in a reasonably cost-effective way.

What made it all much worse was the fact that these authorities were in a position to recklessly overspend their budgets without any Central Government institution being in a position to control them.

He cited the figures for 1982/83 as: *having budgeted R211-million during that financial year, the second tier administrations overspend in excess of R50-million.*

He said it might interest his listeners to know that over the last three years, this system of second tier administrations had swallowed up R800-million on allocated figures, and it was not known what the drainage on overspending was, and the man who knew it would not have the guts to reveal the figure.

Mr Lang challenged Dr van Niekerk to tell the country what the second tier administrations alone had overspent in the current financial year for he would like Dr van

Niekerk to confirm or deny that millions of Rand were being misappropriated at this very moment.

He accused Dr van Niekerk of delaying by more than 18 months the plugging of even the most obvious loopholes in Proclamation AG 8. These loopholes, he said, allowed the ethnic authorities to run what amounted to a 'blank cheque system'.

These administrations had been asked nicely not to overspend, but if they did there was nothing anybody in the Central Government's finance department could do about it, excepting to pay the bills. Mr Lang said he felt strongly that taxpayers in this country, and for that matter in South Africa, had the right to demand from Dr van Niekerk reasons why he did not act at the earliest possible opportunity to stop the misappropriation of millions of Rand.

Mr Lang made the observation that the equivalent of half of the Central Government's budget was being spent on the 52 000-strong bureaucracy of the various branches of government and state-financed institutions such as ENOK and Nasboukor.

He said this was obviously an intolerably high figure for a Third World country with only 200 000 people out of the population economically active.

CSO: 3400/858



NAMIBIA

CITY GUARDS AGAINST EROSION OF POWER BY NASBOURKOR

Windhoek THE WINDHOEK ADVERTISER in English 1 Mar 85 p 3

[Text]

**THE WINDHOEK City Council has warned that it intends "guarding jealously" its administrative power which it feels is being eroded by the Central Government's National Building and Investment Corporation (Nasboukor) which was encroaching on traditional municipal domain while forging its own new "empire".**

These danger signals of the ever-likely confrontation between the Windhoek Municipality and Nasboukor were flashed at Wednesday night's monthly meeting of the City Council.

The Council approved a motion from its Management Committee that the Corporation would in future itself take transfer of erven in Nasboukor housing schemes and that the Municipality would no longer grant transfer to Nasboukor bond-holders.

Referring to the "virtual takeover of the housing

function by Nasboukor", Councillor Fanie Spies said the City Council had marketed its own houses at a 2% fee, while the Corporation did it at 6%.

Collection of payments from the house-owners now took place through the Katutura Municipality and no longer by the Windhoek Municipality itself.

The Municipality, however, had over the years developed an infrastructure specifically for administering township properties.

"There should be no duplication, otherwise we're building new empires and this will lead to more expensive houses to cover additional costs," Mr Spies said.

Similar developments in South Africa had proved that "every function taken over from a municipality by a corporation had made things more expensive."

"I hope I'm not right, but I must warn against empire building by organisations for performing such functions as rent collection which a municipality can do just as well. The writing is on the

wall," he added.

Cost and price comparisons should be made between housing administration by the Municipality and Nasboukor.

"They are equipped for building houses. But there are functions that municipalities can perform better.

"These administrative functions must not be taken away from us," Mr Spies said the proclamation establishing Nasboukor was "very wide".

"They can do anything" and more such extended First Tier authority, treading on municipalities' toes, was evidently "in the pipeline".

"We can speak for the residents of an area, but who can they speak for? We must guard these functions jealously," Mr Spies concluded.

Chairman of the Management Committee, Mr Gunther Kaschik said Nasboukor's expanding administrative authority was "to a certain extent empire building. But as

long as this is done in reasonable limits and some of the workload is taken off our shoulders, it is alright."

The Management Committee had noted that until the end of 1984 Nasboukor had never taken transfer of erven from the Municipality and then had the properties reconveyed to the individual owners.

Since the new arrangement had come into effect, 427 erven in Katutura and 50 in Khomasdal were affected.

There were no financial implications for the City Council.

However, although the Municipality had originally approved the contracts between Nasboukor and the property owners, it would no longer give transfer to owners but to the Corporation who would, in turn, have the properties conveyed to its clients.

Chairman of the Council, Mr Willem Odendaal, said the Windhoek Municipality would take note of this this new development.

NAMIBIA

## DETAILS ON TEACHERS' COLLEGE GIVEN

Windhoek WINDHOEK OBSERVER in English 2 Mar 85 p 23

[Article: "A Look at One of the Country's Dangerous Farces"]

[Text]

The infected body of our society houses many diseases, some of which break festering to the surface seasonally, only to disappear from the public eye again. This disappearance is misleading however - the disorder grows in the social tissue, its temporary eruption only a symptom of the increasing disfunction of the social organism.

Yes, it is *Wokkejol*-time again, when the students of the *Windhoek Onderwyskollege* (they would surely object to me calling it the Windhoek Teachers' Training College) leave their haunted place of learning - so reminiscent in its well-kept deadly desertion of scenes from the film *On the Beach* after final nuclear obliteration - and take to the streets.

The rest of the year it is a case of out of sight, out of mind, the planners having the foresight to tuck the College far away beyond Pionierspark on the Gamsberg Road. But it is *Wokkejol* time, that time of the year when these students have to define for themselves a reason for their existence. It is a time to turn our attention to this 'place of higher learning', how it symbolises that socially disintegrating illness

which will eventually turn out to be terminal to our country if a cure cannot be found with desperate haste.

To have its diplomas recognised, a teachers training college must be affiliated to an university. The WOK is affiliated to the Rand Afrikaans University. The WOK's Rector is a member of the senate of that university. Does Professor De Lange know what kind of institution had been taken under the wing of his University? The aims and regulations of RAU's far-flung foundling seems to be so contrary to the proclaimed programme of its foster parent. According to Professor de Lange, his University is against all discriminating practices, and will follow an open door policy with regard to student admissions. Let us keep in mind that the Group Areas Act is in force in South Africa, and this Act put constant obstacles in the way of the execution of such a decision. In South West Africa we have long since put that Law beyond us. Professor de Lange was the chairman of the De Lange Commission, recommending a single Education Department in South Africa (rejected).

### WHITES ONLY

It goes without saying that

the WOK is a 'whites only' institution, and rather perversely proud of it. People 'of colour' are not allowed to partake in the facilities of the WOK unless they go through the humiliating business of first asking in advance and then being authorized or refused.

The resignation of the Suburbs Rugby Club (a predominantly 'coloured' club) from the Central Rugby League is a case in point. Before a club is allowed to enter the League it has to give an undertaking that its sporting facilities can be used by all the clubs in the League. The rugby club of the WOK is a member of the League. Were they asked whether they were willing to share their rugby fields with all co-members of the League, or were they exempted from this requirement? If they indeed consented to allow all members onto their fields, is it purely by incident that Suburbs played on the fields of all affiliated clubs, barring that of the WOK? Hardly likely. Suburbs did have reason to suspect that they were discriminated against. In the controversy following the resignation of Suburbs from the League, Mr Gert Muller, President of SWA Rugby Union came to the conclusion - surprise, surprise - that the move by Suburbs was 'motivated more by



political than sporting interests'.

Mr Muller, in a society such as ours politics permeates to all spheres of life!

However, more important than this incident, by no means isolated, is the simple fact that a poor, underdeveloped country like ours cannot afford, in human and economic terms, three tertiary education centres, two of which are being kept alive by sectarian whims. (Admittedly, it must be pointed out in fairness that the Khomasdal Teachers' Training College was perhaps established in desperation, the country then still shackled by legal apartheid regulations).

### VENEER OF EQUALITY

This is a social division which is legally entrenched, not by the crude Group Areas Act, the Immorality Act, the Mixed Marriages Act and a host of other repressive measures. It is enforced by the much more subtle administrative measures, by 'government' by ethnic rule, by AG-8.

In its subtlety it is much more dangerous than the crude measures: It fools us into believing that real progress had been made towards an equal society. The contrary, in fact, is achieved - the *status quo* is maintained under the thin veneer of equality, the gap between the very rich and the desperately poor remains and widens, no redistribution of human and economic resources can be achieved.

Education is a first, if long-term step towards such a redistribution of resources. And it is here where the Academy plays its invaluable role, where the WOK, in its underutilised complex merely entrenches the inherited system with its privileges gained at the expense of others, and it does so in a way which is already abandoned even in South Africa.

Maintaining the privileged white position at the WOK is

achieved not without complicity from certain departments in the Central Civil Service, or more correctly by certain kingpins in specific departments of the Central Civil Service. Let me name that department, so as not to implicate the whole Central Civil Service: the Department of Nature Conservation.

Upon refusing to comply with an order to organise a nature conservationists' conference at the WOK because of its attitude to other-than-white conservationists, the co-ordinator was accused by local perpetrators of apartheid, separate development (call this *stinkblom* by any other name you like) of insubordination.

He was hauled before a magistrate (I still fail to see what a magistrate can possibly have to do with such a case). He was found guilty. This year a second conference was held at that disreputable, ailing institution, without any notice having been taken of it.

Let me assure the 'accused' that South West Africa has infinitely more respect for him than for the pinstriped overpaid functionaries dedicated to upholding the leaderships' orders.

That leadership is not located in South West Africa. In dealing with this specific hierarchically-ordered group which is characteristic of that Twentieth century brand of oppression, totalitarianism, we need a completely new vocabulary. Let us refer to these functionaries carrying the ideological message into all spheres of life as the *apparatchiki*.

This descriptive Russian term serves to smooth over the internal ideological differences between totalitarian trends, emphasising that the message is, so to speak, less important than the media and consequently that a transition from one totalitarian way of doing things to another does not differ that much. While there is still time, it is this columnist's aim to identify and isolate the *apparatchiki*, because they often move unrecognisable amongst us.

NAMIBIA

SATS WORKERS TO LOSE BONUSES

Windhoek WINDHOEK OBSERVER in English 9 Mar 85 p 35

[Text]

The harshest economic measures imposed in more than half a century, were announced this week when the South African Transport Services cut back bonuses due to their employees by thirty three per cent.

It is the first time since 1929 that a Government institution announced a decrease in the remuneration of its employees.

News of the announcement swept through the country like a shockwave as nearly 7 500 employees of the South African Transport Services in South West Africa were informed that their already tight budget for the forthcoming year would be

skimmed even further.

The regional manager of the South African Transport Services in South West Africa, Mr Willie Strauss, said that his department had already cut back expenditure by sixteen per cent over the past two years by reducing personnel.

This however was not sufficient and the Transport services would have to make this sacrifice to save the economy from total ruin.

Mr Strauss said that employees earning less than R6 000 annually would not be affected but he could not say what percentage of the 7 500 employees were earning more than this.

He could not say for how long this newly imposed measure would be applied or whether it would be taken into reconsideration in the foreseeable future.

Many employees were dissatisfied with the knowledge that their thirteenth cheque would be reduced and in general felt that they have already made so many sacrifices to contribute towards saving and even carrying the extra burden of less people doing more work, that it was unfair to reduce their well-earned money.

Employees of the South African Transport Services were due to received the bonus in April.

CSO: 3400/858

NAMIBIA

WINDHOEK-LUDERITZ AIR LINK TO END

Windhoek WINDHOEK OBSERVER in English 9 Mar 85 p 7

[Text]

Scheduled air services between Windhoek and Lüderitz will be terminated on March 20. Confirming that the four-flights-a-week service is to come to an end, the managing director and general manager of Namib Air, Mr Georg von Fuhrherr, said that the decision to terminate the scheduled service was simply on account of a lack of support. Known as the 'diamond schedule', tremendous losses were incurred, and passenger occupancy was more than often in the lower 20 per cent, Mr von Fuhrherr said.

Mr Fuhrherr said that it was simply part of a programme to rationalise for how could a service be provided under those circumstances? He said that there were even occasions when the total cargo carried amounted to 21 kilogram.

The result of such a low passenger occupancy figure, and the virtual non-existence of freight, led to exorbitant costs. Namib Air was making use of a Cessna 414, pressurised high altitude

mini-liner on the route.

Mr von Fuhrherr said that to accuse Namib Air of having discarded Lüderitz would be a violation of the true state of affairs.

Proper care was taken to look after the interests of Lüderitz's air passengers when on March 20 the scheduled services between Lüderitz and Eros Suburban were to be ended. Arrangements had been made, he said, with *Air Cape*, operating a scheduled service between Walvis Bay and D.F. Malan to make a twice-weekly stopover at Lüderitz.

Passengers destined for Windhoek could then link up with the Windhoek-Walvis Bay service of Namib Air, he said.

Consolidation of affairs had become a necessity in order to secure further expansion. At times, he added, Namib Air even included Alexander Bay on the route between Eros and Lüderitz - running at a great loss for there was no passenger and neither cargo demand. Mr von Fuhrherr cautioned that to criticise the relinquishing of the scheduled service would be irresponsible. Lüderitz was to be blamed, for they were provided with an excellent air link, four times a week on a scheduled basis, with a comfortable aircraft, and they did not support the service, he said.

NAMIBIA

BRIEFS

TSUMEB PROJECTS--Tsumeb: In a statement today Tsumeb Corporation Limited announced two capital projects which will lead to increased copper and silver production resulting in an increase in foreign exchange earnings for the country. Mr Bob Meiring said that at the Kombat Mine the Asis Ost section, previously operated in the 1920's and the early 1970's, would be reopened, using a mechanised low cost trackless mining method. At the Tsumeb smelters, a 25 000 ton capacity flotation concentrator purchased from the closed down Oamites Mines, would be erected to recover copper and silver from stock pile slags and secondary material. Work on both projects had been started and production would commence within 12 months, he said. Tsumeb Corporation Limited, Mr Meiring said in the statement, was an independently managed South West Africa company conducting countrywide exploration, and operating mines, concentrators, smelters and refineries. The corporation produced blister copper, refined lead, refined cadmium, refined arsenic, trioxide, silver, gold and iron pyrites, employing a work force of some 5 200, Mr Meiring said. Last week the Observer brought the first pictures of the new Asis Ost Development where blasting operations have been launched to start the new road leading down into the earth, known in mining language as the trackless mining method. [Text] [Windhoek WINDHOEK OBSERVER in English 2 Mar 85 p 29]

SWABC DOCUMENT--Totalitarianism aims at controlling the information which reaches the public--the numerous restrictions on press freedom imposed during the last decade testifies to the increasing totalitarian tendency. During this week an official SWABC document--for internal consumption--revealing this tendency has surfaced. This document states the following: "Information, facts, requests or hints will be totally ignored if it turns out not to be in the best interest of the country". The arrogance of this is truly stunning. What dark abilities qualify Piet Venter (or anybody else for that matter) to decide for me (or anyone else) what is 'in the best interest of the country'? However, this arrogance is particularly revealing. Firstly, it explains the incredible drabness of SWABC's presentation, a drabness which is the mark of most propaganda. Secondly and more importantly, it completely destroys the SWABC's already suspect claim to independence, and reveals a particular stupidity/insensitivity: The SWABC's policy statement is an almost word by word reiteration of a statement by Mr Riaan Eksteen, the Director-General of the South African Botha and Botha Broadcasting Corporation. Although the SABC is not a member of the Newspaper Press Union, the Media Council nevertheless rebuked Eksteen for his attitude towards newsworthiness and the public's right to have access to objective information. But, unlike the SWABC, Eksteen was

not as stupid as to put it in writing, and could plead misrepresentation. Mr Venter, you will have much to learn from your South African bosses! [Text] [Windhoek WINDHOEK OBSERVER in English 2 Mar 85 p 23]

CONTROL FOR CAPRIVI--Mr G J F Gous, the Secretary of the Department of Governmental Affairs, issued a news release concerning the promotion of efficient administration in Caprivi. The statement said that measures to further promote efficient administration in Caprivi had reached a new stage with the first session of the Interdepartmental Committee for Caprivi which was held on February 20, 1985 in Katima Mulilo. In this release the chairman of the committee, Dr J du Plessis, Secretary of the Administration for Caprivians explained the aim of the committee to be as follows: 'Subsequent to talks between the Administrator-General, the Chief Executive Officer and the Commissioner for Caprivi during 1984, the Administrator-General decided to appoint an Interdepartmental Committee for Caprivi in order to improve liaison and continuity between Central Government and the Administration for Caprivians. At the same time the committee will ensure that the functions for which Central Government is responsible in Caprivi will be carried out efficiently. The committee is to convene every second month in Katima Mulilo'. The release concludes by saying that the first meeting of the committee was preceded by an orientation tour for visiting officials from Windhoek. [Text] [Windhoek WINDHOEK OBSERVER in English 2 Mar 85 p 27]

SUBSIDIZED FARMING HIT--Addressing the Namibia Education Forum on Wednesday night, Mr Eric Lang said that for generations it was politically important to keep the white farming community happy irrespective of the high price. He said these practises were going to end and the sooner the commercial farmers realised this, the better, for on the one hand they were no longer important in the political sense, and on the other the country could no longer afford that sort of waste. He said the practice of subsidising commercial farming in South West Africa had the effect of allowing the industry to degenerate into a net loss to the economy. This should end. It was easy to say subsidise agriculture but every Rand in subsidies was being siphoned off the more productive and better managed sectors of the economy. The financial collapse of Dairy Cooperative was perhaps the forerunner of what was yet to come. Mr Lang expressed doubts about the end results of the amalgamation of the meat processing plants and said the foundation stones were laid for the largest bankruptcy this country could yet see. The precarious position of SWAVLEIS today called for emergency action to safeguard the money of the taxpayer already involved and any further requests for government aid should be rejected for only then would there be real incentives for the blundering monopoly to get itself sorted out. Mr Lang said it was disgusting to note the extent to which agricultural subsidies were now being hawked to buy party political influence. As an urgent priority it was necessary to wean the predominantly white farming sector off the many ill-advised subsidies being handed out by party politicians, for what was needed was a nation-wide programme of agricultural reform in order to make the entire industry more market-orientated and profitable. [Text] [Windhoek WINDHOEK OBSERVER in English 9 Mar 85 p 33]

EXTRA FUNDS--Windhoek.--The Administrator-General of South West Africa, Dr Willie van Niekerk, yesterday announced an additional appropriation of R85 750-million for the territory. The amount would be wholly financed from savings in



the government service and from surpluses in the central revenue fund. Dr Van Niekerk said savings measures in the current financial year had produced R45 418 773, while there was a savings surplus of \$11 998-million from the previous financial year. Dr Van Niekerk said the South African Government had made available an additional R54-million for defence costs previously defrayed from the South African Defence Force budget. In a breakdown of the additional appropriation it appeared that a major portion of the additional expenditure resulted from occupational differentiation in the government service. [Text] [Johannesburg THE CITIZEN in English 21 Mar 85 p 4]

LISTER DENIED PERMIT--Windhoek.--Police in South West Africa have turned down an application by a Windhoek freelance journalist, Miss Gwen Lister, for a permit to visit certain areas in the north of the territory. Miss Lister said yesterday that no reasons had been given for the refusal. In terms of legislation promulgated this week, non-residents need permits to enter Ovambo, Kavango, Eastern Caprivi, Hereroland East and Kaokoland. Miss Lister, who is also part-time correspondent for the BBC, said she had applied for a 12-month permit to all the areas concerned, because she might need to go there at short notice. [Text] [Johannesburg THE CITIZEN in English 16 Mar 85 p 9]

CSO: 3400/858



NIGERIA

DIFFERENCES SAID CRYSTALLIZED BETWEEN BUHARI, BABANGIDA

London AFRICA CONFIDENTIAL in English No 6, 13 Mar 85 p 7

[Article: "Competitive Generals"]

[Text] The differences within Nigeria's Supreme Military Council (SMC) have suddenly crystallized around a bitter argument between head of state Maj-Gen. Mohammed Buhari and the chief of army staff, Maj-Gen. Ibrahim Babangida. The row involves not only such immediate concerns as the defence budget but the very nature of society and the role of the military, present and future. Buhari sees himself increasingly as the statesman-guide in the austere mould of the country's first president, Tafawa Balewa. But Babangida--who is inclined to trade on the image of former head of state Gen. Murtala Mohammed--wants to institutionalise the army as Nigeria's permanent and modernising vanguard.

By the end of February Babangida felt confident enough to issue a public challenge. In a much publicised paper he proposed that Nigeria's industrial base be developed to serve a defence-orientated economy. Drawing parallels with Brazil, he proposed an 'arms city' in the hinterland. Technology for it "could be obtained by borrowing, stealing, direct purchase and licence-buying for the purpose of investigation and development". He produced outlines for a 25-year-plan and suggested that key developments like the iron and steel industry should be encouraged "as a deliberate policy to produce locally defence-related goods". Finally, 'he said, "those who advocate less spending on defence cannot win'.

At the time of Babangida's speech Buhari was touring the country telling soldiers that austerity applied to them as much as anybody--a point made inadvertently by recent late payment to soldiers. Buhari's exhortations to soldiers to polish their rifles contrasts sharply with Babangida's extravagant military plans.

Buhari's inevitable preoccupation with the economy has led him to favour the concept of an Islamic economic system, which he reckons is less exploitative, less profit-orientated and therefore preferable to the western system. Babangida is quite prepared to tolerate philosophising about capitalism and Islam. But a confrontation was only narrowly avoided last week when the Kaduna Zone military tribunal acquitted on corruption charges two former state governors, Garba Nadama, of Sokoto and Lawal Kaita of Kaduna, for lack of evidence.

Nadama's case caused a particular stir because he had been accused not so much of enriching a political party as of corruptly selling import licences to benefit the Argungu and Kaiwa mosques. The case identified politics more clearly with Islam than any other public hearing. That these two northern politicians--pillars of the traditional ruling establishment--'got off' when their southern counterparts (or those who supported the old opposition) were being sent to jail on similar evidence, is political dynamite. And this, Babangida feels is what the army can do without.

It was Babangida who said after the coup, in January 1984, that ex-President Shagari would be tried on the evidence, like everybody else. Since then Buhari has indicated that there is no direct evidence to link the former president to any wrongdoings. But some senior officers are pointing out that Shagari himself kept the defence portfolio, was his own oil minister and that his special adviser on petroleum--Yahaya Dikko, brother of Umaru--was answerable to him personally. Moreover, the cabinet minister in charge of the Abuja project (the source of many corruption cases) reported directly to Shagari.

The acquittal of Nadama and Kaita has again raised the question of other prominent Northerners, including Shagari. The more dynamic generals believe these cases are holding up concerted action to reform the country. In January an announcement about Shagari's fate seemed imminent. When Buhari postponed a final decision once again, some SMC members agreed to wait for the trial of Nadama in the belief that this was bound to lead to a conviction, which now paved the way to a hearing on Shagari himself. Now they fear that the Nadama precedent will lead to another "lack of evidence" tribunal, this time for Shagari, and that the wholesale acquittal of establishment northerners will make the country ungovernable by the present administration.

CSO: 3400/814

NIGERIA

KIRI DAM NOW REPORTED OPERATIONAL

Kaduna NEW NIGERIAN in English 1 Mar 85 p 16

[Article by A. B. Tapidi]

[Text] The multi-million Naira Kiri Dam in Guyuk, Gongola State, completed about one year ago, is now fully operational.

The present water storage of the dam is 615 million cubic metres. It is made up of 290 million cubic metres of live water storage and 325 million cubic metres of "dead water storage."

The Irrigation Engineer of the project, Mr. D. Abeysekara, told the New Nigerian at the dam site that everything was now functional and normal.

Mr. Abeysekara said about 6.5 million cubic metres of water were discharged, to irrigate the sugar cane plantations of the Savannah Sugar Company, adding that 6,000 out of 12,000 hectares of land acquired for the sugar cane plantations had been cultivated.

He said the dam was planned to irrigate the sugar plantations and projects of the Upper Benue River Basin and Rural Authority as well as supply water to the neighbourhood and fisheries.

A New Nigerian investigation showed that the Kiri Dam was completed at the cost of 72,805,906.25 Naira.

The contract was awarded to the Nigerian Construction Company (NECCO) on April 28, 1977 by the then military administration at the cost of 57 million Naira. It was later reappraised due to inflation, labour and overhead costs.

NECCO is a construction company in which the Federal Government had 60 per cent shares and a Yugoslav firm has the remaining 40 per cent shares.

The investigation showed that the Kiri Dam is about 1,200 metres long with a maximum height of 20 metres above river-bed level. Its reservoir is 30 kilometres long and six kilometres wide.

The normal top water-level is 3.5 metres below the dam crest and at that level, the dam now has a live water storage of approximately 290 million cubic metres.

The main canal is about eleven metres wide and is capable of carrying 19 cubic metres of water per second. The dam has 39 kilometres of main canal, 98 kilometres of secondary canal and 37 kilometres of main drains.

The investigation showed that about 20 million Naira was spent for the payment of compensation and resettlement of displaced persons at the site of the multi-purpose dam.

According to official records of the resettlement scheme, about 12.2 million Naira went to individuals as compensation for buildings, economic trees, farmlands and other landed property.

Others were 3,160,450.04 Naira for construction of roads at New Kiri, Tallum, Purokayo, Banjiram and other new resettlement areas, 375,657.37 Naira for survey and consultancy services, motor vehicles and personal emoluments.

CSO: 3400/814

NIGERIA

BRIEFS

DROUGHT COOPERATION WITH NIGER--Nigeria and the Republic of Niger have agreed to intensify scientific research into drought and desertification through the Nigeria/Niger Joint Commission. A communique issued at the end of talks in Kaduna between the Kaduna State Governor, Air Vice Marshal Usman Mu'azu, and the Governor of Zinder in Niger Republic, Lt-Col. Moumouni Adamou, called on peoples in drought affected areas to stop cutting down trees for firewood and find alternative sources of energy such as kerosine, gas and coal. The two countries also agreed that if cattle could stop feeding solely on grass, the problem of desertification would be considerably reduced. The communique commended the two countries' efforts to control rinderpest, but said that there was need for more control posts at the border. Lt.-Col. Adamou, who arrived in Kaduna on Friday on a three-day visit, thanked the government and people of the state for the reception accorded him and his entourage. [Text] [Kaduna NEW NIGERIAN in English 26 Feb 85 p 9]

ABUJA MASTER PLAN--The Master Plan for Abuja would be followed strictly in the development of the Federal Capital Territory, Major-General Mamman Vatsa, Minister of the territory, has declared. In his first national press briefing in Abuja, General Vatsa said this was to ensure an orderly and even development of the territory. He said the plan provided for a four-phase development for the capital with a population of 230,000; 600,000; 650,000 and 1,700,000 respectively. So far, the minister said, phase one area of the capital had been planned and infrastructural facilities had been provided in half of the area. About 90 per cent of road network, he said, had been executed in the area, while water projects capable of supplying water to a population of over 650,000 had been executed, with the construction of the Jabi and Usuma Dams. General Vatsa said about 40,000 housing units would be built in the area, adding that over 10,000 housing units had either been completed or were under construction. On health, General Vatsa said 29 dispensaries, 10 basic health clinics and 9 mobile clinics had been established, while a 300-bed general hospital was now under construction. [Mike Reid] [Text] [Kaduna NEW NIGERIAN in English 7 Mar 85 p 16]

CSO: 3400/814

**SOUTH AFRICA**

**STATUS OF SOWETO BUSINESSES REPORTED**

Johannesburg THE CITIZEN in English 21 Mar 85 p 9

**[Text]**

MOST businesses in greater Soweto are small and struggling.

This has emerged from a research project undertaken by Professor Chris De Coning of the Rand Afrikaans University's Research Unit for Development Studies.

The research, commissioned by the Human Sciences Research Council, was based on the formal business sector in greater Soweto.

Details of Prof De Coning's project were released at RAU yesterday when a copy of his report was given to Dr E P Whittle of the HSRC.

Interesting facts to emerge from Prof De Coning's research are that traders represent about 84 percent of all formal businesses in greater Soweto while service industries make up only about 10 percent. About 77 percent of all those questioned were one-man busi-

nesses and only 28 percent had matric or higher qualifications.

He found various external and internal factors influenced Soweto's formal business sector. These include:

- A lack of capital—this results in a lack of assets to serve as security for loans and bank overdrafts.
- A lack of business experience and practical training among Black entrepreneurs. Most are relatively new in the business world and have little experience in business practice.
- Insufficient school training.
- Poor positioning of shops.
- Lack of awareness of organisations set up to help them — including Small Business Development Corporation.

**Opposition**

The study found that

business undertakings in Soweto are subject to two forms of competition — internal competition from other Black businesses and external competition from White and Indian businesses in the rest of the Johannesburg metropolitan area.

Shopping hours in Soweto make it difficult for residents working outside Soweto to do their shopping in the township.

Prof De Coning found that most Black entrepreneurs lack basic management skills. In shops little financial planning, stock control or pricefixing method is evident.

Owners lack bookkeeping skills.

Black entrepreneurs are generally ignorant of the relevant laws, regulations and procedures necessary to run a business. They also know little about market potential and sales promotions.

**Campaign**

Prof De Coning said it was clear from his research there existed a need for an intensive information campaign to make businessmen aware of what training and consultation facilities were available for small businesses. There was also a need for training Black business consultants to help and advise their own people.

Courses and seminars are necessary to provide entrepreneurs with practical training in various business practises.

Experts should visit Black businesses to advise owners on such things as shop layout, window displays, relations with customers and how to deal with Government regulations.

Prof De Coning said business licensing procedures should also be simplified.

CSO: 3400/857



SOUTH AFRICA

NORWEGIAN PARLIAMENT BACKS TRADE RESTRICTION MEASURES

Oslo AFTENPOSTEN in Norwegian 28 Mar 85 p 5

[Article by Terje Svabo: "Government Imposing Limited Trade and Contact Restrictions Against South Africa"]

[Text] The government's new measures against the apartheid regime in South Africa were largely met with satisfaction in the Storting. Minister of Trade Asbjorn Haugstvedt yesterday presented a proposal which goes farther than any previous Norwegian Government has gone. The minister warned of both unilateral Norwegian measures and an increased investment in a combined Nordic action. Among other things there will be imposed an automatic licensing of Norway's imports from South Africa, and a legal prohibition against the sale of Norwegian crude oil will be considered by the Ministry of Justice. The black liberation movement will get increased support.

The trade minister's statement was awaited with great interest, because a number of times during recent years the Storting has discussed possible actions against the apartheid regime. Yesterday's proposal will now be dealt with by the Storting Foreign Affairs Committee before it comes up for consideration during the spring session. In the committee they will also take a position on a bill from SV [Socialist-Left Party] and one from the Labor Party concerning limited contact with South Africa.

An important element in Minister Haugstvedt's statement to the Storting yesterday was that Norway should be sure that the Nordic countries go together on most possible forms of reaction against South Africa. How great the will is for this will be indicated on Friday when the five foreign ministers meet in Helsinki.

Sanctions

According to the government's action plan, it wants the Nordic countries to approve comprehensive and binding international economic sanctions against

South Africa. Further that other Western countries should implement actions of the same kind as in the Norwegian plan. The government wants to work for a stop in investments and loans, increase humanitarian aid, break off all sports, cultural and scientific contacts. It also wants the Nordic countries to take the initiative to evaluate a transport boycott of oil to South Africa.

Trade will be reduced, and combined Nordic lines of direction should be established for eventual public cooperation in readjustment of industrial firms which are going over to other suppliers. The UN weapons embargo should be strengthened, and a prohibition against import of weapons should be implemented.

Finally the government proposes that the Nordic countries evaluate the possibility of closing down the SAS route to Johannesburg. The primary Norwegian unilateral measure is the requirement for automatic licensing of goods import. That means that all who will import from South Africa must apply to the Ministry of Trade for a license. It is hoped that this will mean a significant reduction of trade.

Further, Norwegian ships which go to South Africa must be registered, and a legal prohibition against that is being evaluated.

Sharper

The Labor Party's Guttorm Hansen maintained in a commentary that the measures being threatened represent a significant step in the right direction, and that Norway is here taking a much sharper line toward South Africa. The Labor Party will later establish whether these proposals are sufficient.

The Conservative Party's Harald U. Lied believes that the trade minister's proposal is solid. He thinks it is a strength that the government has soberly evaluated the possibilities available for further pressure on South Africa. He believes it is wise of the government to invest in Nordic initiatives, and recalled that Norway has led the way in the fight against apartheid.

Modest

The Socialist-Left Party's Stein Ornhøi said that his main impression is that the government's proposal contains many words and nonbinding good will. SV believes that the most important factor of all is lacking, an initiative for an international system of oil boycott. Ornhøi admitted, however, that no Norwegian government had yet gone so far.

The Center Party's Johan Buttedahl believes that the measures are offensive, and he is especially pleased about the proposal to have SAS stop flying to Johannesburg. The Progressive Party's Bjørn Erling Ytterhorn is against

unilateral Norwegian actions in principle, and the Liberal Party's Mons Espelid requested a more binding plan for an economic boycott.

#### Pressure

The chairman of the Foreign Affairs Committee, Jacob Aano (Christian People's Party), said that the plan is important in the work to pressure South Africa to change its racial policies. Aano believes that in the future Norway must be willing to consider further measures.

9287

CSO: 3498/6

SOUTH AFRICA

TOTAL REVENUE FOR YEAR REPORTED

Johannesburg THE CITIZEN in English 19 Mar 85 p 13

[Text]

TOTAL revenue for the financial year now ending was estimated at R23 835-million, which was only 4,6 percent higher than the budget estimate of R22 777-million, the Minister of Finance, Mr Bar-end du Plessis, said.

Inland revenue sources had contributed R21 920-million, an increase of R931-million, or 4,4 percent on the original estimate of R20 989-million, while customs and excise collections of R1 915-million were R126-million, or seven percent higher than the estimate of R1 789-million.

In the case of inland revenue, the volatility of the gold price and its rand value had once again influenced tax and lease payments from gold

mines.

The present estimate of R2 025-million for gold mines represented an increase of 9,8 percent on the March 1984 total of R1 844-million.

Structural changes in this sector, such as joint ventures and mergers, increased capital expenditure and higher outlays, had contributed to a decrease of R1 608-million in the total revenue from the gold mines, from R3 633-million in 1980/81 to the present R2 025-million.

This had been in spite of the 1984/85 rand price of gold being about R550 an ounce, or about R100 higher than the 1980/81 average, Mr Du Plessis said.

"The withdrawal of certain allowances announced in last year's budget influenced revenue from non-mining companies to a greater extent than anticipated and the R3 855-million expected from this sources is about 13 percent higher than the budget estimate of R3 410-million.

"Although the present estimate for income tax from individuals of R7 870-million and general sales tax of R5 895-million are R144 -million and R60-million, respectively, higher than the Budget estimate, the percentage increases are only about two and one percent respectively," the Minister said.

The increase in customs and excise collections was almost entirely accounted

for by the R244 -million or 19,5 percent, increase to R1 370-million in customs duty.

The latter could be ascribed to the relatively high level of imports during early 1984 as a result of the mini-boom and to the high rand value of imports, because of the weak exchange rate of the rand.

The present estimate for excise duty of R1 885-million was very close to the actual budgeted total.

"Payments to our customs union partners and South West Africa must, however, be subtracted from total customs and excise receipts."

This sum was R1 410-million, which was 5,3 percent higher than the estimate of R1 339-million, the Minister said.

CSO: 3400/857

SOUTH AFRICA

LONG-TERM FINANCIAL STRATEGY DETAILED

Johannesburg THE CITIZEN in English 19 Mar 85 p 13

[Text]

THE Minister of Finance, Mr Barend du Plessis announced the Government's long term financial strategy and said agreement had already been reached on three-quarters of total budgetary expenditures to the year 1990/91.

He said it was important to view the Budget in the context of the Government's longer term fiscal and monetary policy.

"This is particularly necessary at this juncture because today's Budget is in more ways than one a 'special' budget designed to deal with a 'special' set of circumstances," he said. It was not representative of the official longer term financial strategy.

The main goals of this strategy was a higher and sustainable rate of real economic growth and the creation of adequate employment opportunities on the basis of reasonable price stability and a sound balance of payments.

The economy had the potential for rapid and sustainable growth and the Government was committed to realising this potential.

The major concern was that the achievement of an average annual growth

rate of 3,6 percent until the end of the decade, as envisaged by the 1979 economic development programme, still left the country with a structural unemployment problem.

"Special measures to deal with this issue are therefore called for," Mr Du Plessis said.

The strategy to achieve the long term goals was based on the following financial principles:

- All expenditure, current and capital, for which the Exchequer assumed responsibility had to be brought back on the central Government's Budget. (This excluded State business enterprises such as SA Transport Services and Post and Telecommunication);

- Total public sector spending in relation to gross domestic product, which in the past three years increased from 35 to 37 percent, must be returned to 1981 levels by the end of the decade;

- In future the deficit before borrowing should not exceed 3 percent of the gross domestic prod-

uct, barring highly unusual circumstances:

- Public sector deficits should be financed in a way which would help achieve money supply target rates set by the monetary authorities.

"As regards the second and third of these goals, the State President's committee on national priorities has already discussed in depth preliminary guidelines for growth in public sector spending until 1990/91," the Minister said.

This included general government, State business enterprises and public corporations, as well as guidelines for the increase in central Government budgetary totals.

"In the case of the central Government Budget, preliminary targets have been agreed upon for nearly three-quarters of our total budgetary expenditures".

The Commission of Inquiry into the Monetary System and Monetary Policy in South Africa had made an intensive study of the feasibility

and desirability under local conditions of setting and announcing target ranges of growth for monetary aggregates such as M1, M2 and M3.

Its final report was expected in two months and if its recommendations proved acceptable, no time would be lost in implementing them.

The further lines of action for longer term strategy were:

- The Government aimed to consider revising certain figures of the present tax system that will serve to strengthen fiscal incentives and to enhance productive effort and productivity, saving, investment, risk-taking and innovation;

- The Government would seek to ease further the remaining rigidity of the labour market; to promote the education and training of various segments of the labour force; and to foster the geographical and occupational mobility of the country's labour resource.

SOUTH AFRICA

BAREND DETAILS STRATEGY FOR BUDGET

Johannesburg THE CITIZEN in English 19 Mar 85 p 14

[Text]

**IF FISCAL** policy was to play its full and fair part in overall strategy in the year ahead, the Budget would have to meet as closely as possible three basic conditions, the Minister of Finance, Mr Barend du Plessis, said.

Introducing his Budget to a joint sitting of Parliament, Mr Du Plessis said there could firstly be no increase in real terms in total Government expenditure during the coming year compared to the previous.

Secondly current expenditure, such as salaries, must not again be financed by borrowed funds, as had happened to an unacceptable extent during the past two years.

"In Technical terms, Government dissaving must be eliminated and the Budget should rather contribute to saving," he said.

Thirdly, the Budget deficit before borrowing — the difference between total expenditure and tax revenue — had to be restricted to an amount that could be financed by borrowing without either significant resort to bank credit or contributing to any upward pressures on interest rates.

"Under present conditions, this means that the deficit must be kept below three percent of gross domestic product."

Mr Du Plessis said it would become clear that these conditions would be met, and that an improved and appropriately restrictive "mix" of fiscal and monetary policy would be applied in the year ahead.

The Minister said that in spelling out the strategy for the year ahead, he would not attempt to set precise quantitative targets by year-end for the inflation rate, the growth rate, the exchange rate, interest rates and a number of other economic variables, as some commentators would have him do.

"I believe no government in a free market economy can do this with a degree of accuracy that can assist planners in a meaningful way, particularly not in a world of volatile exchange rates, interest rates and commodity prices.

"These variables affect relatively small and open economies such as ours much more severely than their larger, more mature counterparts elsewhere."

"To give just one example: A rise or fall of 50 dollars in the gold price,



which could occur at any time, would immediately exert a material influence on financial conditions and call for rapid monetary policy adjustments resulting in inevitable, albeit desirable, changes in, for example, interest and exchange rates".

Independently set targets would more often than not in the short run also be mutually inconsistent and therefore incapable of simultaneous attainment.

"There is, for example, such a close inter-relationship between the money supply, the level of interest rates and the exchange rate, that a meaningful target can be set for only one of these variables, after which the other two will adjust to their own levels."

"What we can and shall do, however, is to set out in detail our fiscal and monetary policy framework, including our ultimate and intermediate objectives and priorities, the policy instruments to achieve them, and the broad time scales we envisage for these policies to bear fruit."

The Minister said policy implications for the year ahead were very clear.

Basically the situation called for an effective and not a notional continuation of the economic strategy of curbing the expansion of total spending

in the economy by means of monetary and fiscal measures in accordance with the Government's declared aim of promoting private enterprise and effective competition.

"There is an essential need to add more fiscal policy to the overall policy mix."

The recent confluence of national and international events had made the budget one of the most important in the economic history of South Africa.

"It is no exaggeration to say that the key to the stability and growth of the South African economy in the period immediately ahead lies in the decisions taken at this juncture regarding Government spending, taxation and public debt management and in the reaction to an perceptions of our efforts in this field.

Managed floating, however, had not been without its benefits, Mr Du Plessis said.

"It has, for example, maintained and even raised the Rand value of our principal exports, thereby also boosting tax revenues, and it has provided additional protection to many domestic manufacturers.

"It has also helped to retain long-term foreign capital in the country and to attract new foreign investment through the stock exchange and in other ways," he added. — Sapa.

SOUTH AFRICA

FINANCE MINISTER'S BUDGET PRAISED

Johannesburg THE CITIZEN in English 19 Mar 85 pp 1, 2

[Editorial]

[Text]

WE think that Mr Barend du Plessis, our young Minister of Finance, has passed his first test with flying colours.

He inherited something of a mess. But his careful budgeting, especially in keeping Government expenditure below the inflation rate, suggests that he is placing the country firmly on the road to long-term recovery.

We are, naturally, disappointed that he has not left General Sales Tax alone, since it bears heavily on all sections of the community, the poor especially.

We are disappointed, too, that he has not exempted all food, since this would have been given some relief even if the tax had to go up, as it has done, to 12 percent.

The increase in the surcharge on individual income tax, regardless of age, is also to be deplored, since the individual has been overburdened by taxation already.

Nevertheless, Mr Du Plessis has spread his net wide and wisely, increasing the ad valorem duty on imported cars (those who can afford the luxury can afford to pay the increased duty), increasing the duty on video cassette recorders (though they are less of a luxury than he thinks in these days when television reigns supreme), increasing the duty and ad valorem customs duty on office machines and certain electronic devices (an extra cost which will not break any firms) and increasing the excise duty on locally produced petrol from coal (bringing local petrol into line with the imported fuel).

His special temporary additional surcharge on gold and diamond mining companies is justified, particularly in the case of the gold mining companies, which are benefiting tremendously from the higher revenue which they are receiving as a result of the fall in the value of the rand in relation to the dollar.

Other mining companies are also to pay an additional special surcharge.

However, it is in his special levy on life assurance business and his special levy on banks that the Minister has been innovative — and it was time that he had a special look at both categories.

On the concessions side, the Minister has helped civil, military and social pensioners — and additionally has increased tax rebates for people 65-years-old and over.

Deductions for medical expenses have also been increased.

There are also other tax concessions of interest, especially the raising of the thresholds at which tax liability commences.

All in all, it is a Budget of some imagination. If it helps to cut inflation and bring down interest rates, as the Minister intends it should do, it will restore confidence and bring South Africa's fiscal policies into better shape than they have been for years.

We congratulate Mr Du Plessis on a splendid Budget debut. For a novice at the game, he has shown the skill of a practised and consummate Budgeter.

SOUTH AFRICA

SEVERE BUDGET HARDSHIP FORECAST

Johannesburg THE CITIZEN in English 20 Mar 85 p 31

[Article by Daan deKock]

[Text]

THE Budget increase in GST to 12 percent and the increase in the surcharge to seven percent on individual tax will cause severe hardships in the near future and were not necessary.

This was said yesterday by Nico Cypionka, chief economist and assistant general manager of Standard Bank at a luncheon of the South African-German Chamber of Trade and Industry in Johannesburg.

He said the Budget was only partly successful in the sense that it called too much on the private sector and could also lead to

an over-kill on the economy.

He said the economic mess South Africa found itself in at the moment was due to the fact that the Government had lost complete control of fiscal management.

Government expenditure in 1982/83 exceeded the Budget by 7,1 percent or R1 300-million. In the 1983/84 Budget year this figure increased to R1 800-million and in the past financial year it increased to a record R2 250-million.

This huge over-expenditure and lack of fiscal management seriously

harmd the credibility of the Government.

Mr Du Plessis tried to restore the Government's credibility to reduce the increase in its expenditure to just over 11 percent. The big question at the moment was whether the Government would stick to its intentions.

Mr Cypionka said the Minister called too much on the private sector to pay for Government mistakes of the past. He said the private sector sacrifices enough already, and the Budget would further deepen the recession and create more unemployment.

He said GST and the surcharge would now be responsible for 60 percent of total tax collection. This undoubtedly make South Africa a very high tax country.

He criticised the Government for not being consistent in the way it collected the additional revenue to reduce the shortage before borrowing to a very low figure. He said there was no reason why only the banks should pay the 0,25 percent levy on their deposits and not building societies. In the case of Standard Bank this levy would wipe as much as R25-million off the profits on a yearly basis.

CSO: 3400/857

SOUTH AFRICA

NEW PLAN TO CUT GOVERNMENT SPENDING ANNOUNCED

Johannesburg THE CITIZEN in English 19 Mar 85 p 13

[Text]

A NEW cash-flow planning system to try and limit overspending by Government departments has been introduced by the Minister of Finance, Mr Barend du Plessis.

Delivering his first Budget speech to a joint sitting in the House of Assembly yesterday, he said that the measures announced in last year's budget had achieved only "limited success".

The system had attempted to peg monthly recurrent expenditure at about one twelfth of the annual provision.

"This approach will be replaced in the coming year by a cash-flow planning mechanism based on a 12-month projected cash profile of the expected spending of each department.

"The purpose of this monitoring exercise is to create an early-warning system for possible over-expenditure, so as to enable departments to take timeous and compensatory steps, or for the Cabinet to consider the priority and other implications of unavoidable but justified additional expenditure."

With the commitment of his Cabinet colleagues and their departments, this combination of intensified monthly monitoring and compensatory action, where required, would keep overruns to a minimum.

He wanted to caution analysts not to use the statistics of exchequer issues, particularly for the first quarter of the next fiscal year, as early indicators of State spending.

These statistics were normally subject to seasonal variation and in the coming year there were special factors, such as interest on public debt and the increases in teachers' salaries to distort such comparisons further.

SOUTH AFRICA

MONETARY CUTBACKS PROVING SUCCESSFUL

Johannesburg THE CITIZEN in English 19 Mar 85 p 13

[Text]

PARLIAMENT. — Excess monetary demand had now been reduced significantly, but its delayed inflationary impact was unfortunately still being felt, as shown by the recent increases in the prices of key goods, the Minister of Finance, Mr Barend du Plessis, said yesterday.

The combination of excessive domestic spending and the depreciation of the rand had naturally exerted pressure on prices, he said in his Budget speech at a joint sitting of all three houses.

After declining from a peak of 16,5 percent in May 1982 to 10 percent in February 1984, the con-

sumer price index had risen to 13,9 percent over the 12-month period to January this year.

On monetary developments, Mr Du Plessis said the more restrictive policy adopted last year had since proved effective, even though the favourable results were not immediately apparent from the money supply statistics as such.

"But they are indeed implicit in the marked decline during the course of 1984 in the velocity of circulation of money."

The velocity of circulation of M1, for example, which had declined steadily from a factor of nearly 10 in the first quarter of 1980 to 5,7 in the fourth quarter of 1983, decreased further to 4,7 in

the corresponding quarter of 1984.

"The result is that the actual spending of money — that is the money supply multiplied by its velocity of circulation — has not risen nearly as much as the money supply itself.

"In the final analysis it is, of course, the spending of money rather than the amount of money in the economy, that counts," Mr Du Plessis said.

Bank credit to the private sector had risen by 28 percent over the 12 months to December 1984, before showing an actual decline for January 1985.

Consumer credit as such, had, however, been effectively curbed from September last year on-

wards.

The willingness to accept more realistic market-determined rates last year had contributed greatly to the Government's success in financing the larger than planned "deficit before borrowing" for 1984-85 by means of tender and tap issues of Government stock, rather than by recourse to Reserve Bank credit.

"This sound financing procedure, at a time when the private sector's demand for credit was rising and the net foreign reserves falling, naturally placed the banks' cash reserve under pressure and increased their need for Reserve Bank accommodation via the discount houses."

CSO: 3400/857

SOUTH AFRICA

REVENUE INCREASE FOR 1985-86 EXPECTED

Johannesburg THE CITIZEN in English 19 Mar 85 p 14

[Text]

ON the basis of current taxation, total revenue for 1985-86 was expected to increase by R2 750 million (11,5 percent) to R26 585 million, the Minister of Finance, Mr Barend du Plessis, said.

Expenditure for the coming year was estimated at R30 728 million, he said.

Delivering his first budget speech at a joint session of Parliament he said all major revenue sources were expected to show increases, notwithstanding low levels of economic activity.

"Inland revenue collections are expected to increase by R2 785 million or 12,7 percent to R24 705 million," he said.

Revenue from gold mines was estimated at R2 350 million — a 16 percent rise — from non-mining companies R4 250 million, individuals R8 950 million (an increase of R1 110 million or 14,2 percent) and general sales tax R7 100 million, R1 205 million above the 1984-85 figure.

Net customs and excise revenue might fall for the first time in recent history, by some 1,8 percent to R1 880 million, even though a rise of as much as 7,7 percent to R1 475

million was expected in customs duty alone.

The fall in customs and excise duties could be attributed mainly to the growth in Customs Union payments.

Initial expenditure requests by Government departments had exceeded R34 000 million.

This had represented the departments' "legitimate somewhat idealistic assessment of what they needed to fulfill their obligations.

"It took several rounds of detailed and serious negotiations from July last year up to very recently to arrive at the current figure," Mr Du Plessis said.

The printed estimate of expenditure he was tabling reflected a figure of R31 145 million but this had been reduced by R417 million, which represented that portion of the nearly R500 million saving on personnel-related costs recently announced by the State President and which could not be reflected in the printed estimate.

There were also structural changes whereby several expenditure items that in previous years had been financed off-budget, were now being financed on-budget.



SOUTH AFRICA

BALANCE OF PAYMENTS REGISTERED DEFICIT

Johannesburg THE CITIZEN in English 19 Mar 85 p 14

[Text]

THE current account of the balance of payments registered a deficit of just over R1-billion, the Minister of Finance, Mr Barend du Plessis, said yesterday.

There was an improvement during the year from an annualised deficit of R2.8-billion in the first quarter to an annualised surplus of R906-million during the fourth quarter.

"For 1985 an overall surplus of at least R1.5-billion is expected," Mr Du Plessis said.

"Both the actual and the anticipated improvements stem largely from the tightening first of monetary and later of fiscal policies."

On capital account, Mr Du Plessis said, there was a substantial net inflow of long-term capital of R2.7-billion during 1984, of which R880-million represented net purchases by foreigners of securities listed on the Johannesburg Stock Exchange.

"The result was that the so-called basic balance, that is the current account plus long-term capital movements, showed a surplus of about R1.6-billion for 1984.

"There was, however, a net outflow of short-term capital of over R3-billion, of which nearly R2-billion was recorded during the fourth quarter alone which largely took the form of leads and lags in foreign payments and receipts."

Against the background of these balance of payments developments, the rand showed a marked further depreciation during 1984.

From a peak of 0.91 US dollars in September, 1983, it fell to 0.42 on January 21, 1985 — a depreciation of 54 percent against the US dollar and of 44 percent against "basket currencies" in which the dollar has a weight of 41 percent.

"Since then, however,

the rand has appreciated by about 14 percent against the dollar, 17 percent against the overall 'Basket' and 20 percent against the non-dollar currencies."

In face of depreciation many South African exporters had delayed repatriation of their foreign earnings, "while many import and other foreign payments were accelerated, thereby bringing about a short-term capital outflow in the form of 'leads and lags'."

"The rapid recovery of the rand after January 21, 1985, and the relative strength it has recently displayed in the face of both the substantial further appreciation of the dollar against major currencies and the accompanying decline in the gold price, stem largely from the growing realisation in the market place that monetary policy is proving effective in curbing spending and changing

the balance of payments fundamentals in South Africa's favour," Mr Du Plessis said.

The rand was further supported by the introduction on January 30 of supplementary measures to alleviate pressure on the spot exchange rate.

These included a tightening of the Reserve Bank's arrangements for accommodation to banks, and expansion of the bank's forward exchange cover facilities and a decision to pay gold mines in dollars for only half of their production, with the balance in rand.

"Given the existence in the world of a system of fluctuating exchange rates and the exceptionally large and unexpected appreciation of the dollar during the past two years, the policy of managed floating of the rand has produced good results," he said.

CSO: 3400/857

SOUTH AFRICA

DEFICIT REPRESENTS 3.2 PERCENT OF GDP

Johannesburg THE CITIZEN in English 19 Mar 85 p 14

[Text]

The Government faced a deficit before borrowing of R3 350 million, or 3.2 percent of the gross domestic product, the Minister of Finance said.

This was calculated from present estimates of R27 194 — million for expenditure and R23 835 — million of revenue.

Redemption of loans during 1984/85 would amount to R2 538 — million. This would be R363 — million higher than anticipated and was due mainly to an increase in bond and foreign loan redemptions.

"The net result is a total financing requirement of R5 897 — million for 1984/85, some R1 142 — million or 24 percent higher than budgeted for.

"However, the Exchequer's funding programme has once again been extremely successful and a total amount of R6 362 — million will have been raised by the end of this month, mainly from the non-bank private sector, leaving a surplus of R465 — million.

A feature of the past year's financing programme had been the R1 600 — million raised in new Government stock.

The decision to discontinue the Bonus Bond Scheme was reflected in a R194 — million decrease in total bond receipts over the year to R161 — million.

New foreign loans, on the other hand, yielded R175 — million more than the budgeted R425 — million.

"To the Surplus of R465 — million I propose adding the current balance in the stabilisation account of R194 — million, which increases the total to R659 — million.

"This will enable the Exchequer to clear the outstanding balance of R654 — million on the gold and foreign exchange contingency reserve account with the Reserve Bank as at March 31 1984."

This left a surplus of R5 — million for the current year which would be transferred to 1985/86 and used for the Small Business Development Corporation.

CSO: 3400/857

SOUTH AFRICA

NUCLEAR FUSION MAY PROVIDE INEXHAUSTIBLE POWER SUPPLY

Johannesburg BEELD in Afrikaans 30 Jan 85 p 4

[Text] South Africa's research in the area of nuclear power is in step with the rest of the world and advanced research has already been underway for sometime with a special device built in South Africa which can later lead to the exploitation of a nearly inexhaustible source of power.

This information was made known yesterday by scientists of the Nuclear Development Corporation at Pelindaba, near Hartbeespoort Dam. However, about 30 years of research still lay ahead before the project will be economically viable.

Yesterday, in a special news conference, chief group manager Dr J. K. Basson, chief scientist Dr D. Sherwel, chief of the plasma physics department Dr J. A. M. de Villiers and director of nuclear physics Dr D. van As explained that the research based on plasma physics is founded on the fusion of hydrogen atoms which forms helium and in the process releases great quantities of energy. This is the same process which goes on in the sun as it releases such vast amounts of energy.

This is known as nuclear fusion. The nuclear fusion process is just the converse of nuclear fission employed in a uranium fuel reactor, like EVKOM's [Electricity Supply Commission] Koeberg Power Station near Capetown, where the atom is split.

In countries all over the world the entire research project about nuclear fusion revolves around a device known as the tokamak. The tokamak was developed by the Russians during the later fifties.

It is a magnetic chamber reminiscent of a doughnut - that sort of confection with the hole in the middle - or a large deck tennis ring.

In the tokamak hydrogen gas becomes ionized. This it becomes a mixture of charged particles which is known as plasma.

The plasma is then contained by the magnetic field and at Pelindaba it is heated to up to 5 degrees centigrade by passing an electric current through

it. Just as in the case of an electric bulb the plasma becomes hot when the fast moving electrons of the electric current clash with each other and with the ions.

Nuclear fusion will take place when the hydrogen ions become hot enough - about 100 million degrees centigrade in the case of the hydrogen isotope. Such temperatures require large machines as well as additional heating.

In 1975 a local engineer began designing our own tokamak for South Africa and a handful of experts became involved in its production. The tokamak was created with the help of materials from our own soil and was named "tokkelossie". It has been harnessed for plasma physics since 1979.

In the meantime we have not been without growing pains and the first successes were attained during the past 18 months and these have been in the range of fractions of a second.

The local tokamak is much smaller than those being used in the United States and Europe.

7964

CSO: 3401/121

SOUTH AFRICA

CHURCH'S RACIAL REFORMS ATTRIBUTED TO PREPONDERANCE OF LEFTISTS

Pretoria DIE AFRIKANER in Afrikaans 30 Jan 85 p 1

[Text] Leftists in the Reformed Churches have won a considerable victory during the Synod of Churches just concluded at Potchefstroom. In a number of important resolutions the church has been thrust significantly to the left under the leadership of noted leftists such as Prof Jaap Helberg, Prof Bouke Spoelstra and Rev J. M. Vorster. The ultra-leftist rector of Potchefstroom University, Prof Tjaart van der Walt, also played an important role in creating a favorable climate at the beginning of the synod.

The synod brought to light the sharpest division ever between right and left. A considerable group of conservative clergymen were in constant opposition against the leftist trend of the synod, but they were always in the minority.

Some of the resolutions taken by the synod were:

- the exchange of sermons between white and non-white congregations;
- the granting of permission to non-white theological students to attend the Theological School of Potchefstroom;
- continued membership of the Reformed Ecumenical Synod (GES) and
- the endorsement of the Declaration of Human Rights by GES.

Along with the resolution regarding the exchange of sermons, the synod also declared that race, tribe or color may not be regarded as criteria for membership in the church and that there shall be no discrimination against anyone on that basis. Moreover, the synod has committed itself to the elimination of all discrimination.

The thing that most of all gave rise to a great deal of commotion was the synod's decision to continue its membership in the GES. This decision is in sharp contrast with the recent resolution of the Dutch reformed church to break its ties with the GES. The Dutch Reformed Church has had enough of the political utterances of GES about "apartheid" and of the double membership of some of the churches of both GES and of the World Council of

Churches (WRK). One of the churches having this double membership is the Reformed Churches of Holland. The Dutch Reformed Church is of the opinion that this church group is abandoning the Scriptures and the Reformed Creed.

The fact that the Reformed Churches have nevertheless decided to retain membership in the GES is an indication of the strength of the left's preponderance in the church.

The endorsement of the far-left's declaration of human rights on the part of the Reformed Churches as enunciated by GES is probably the most significant event in the synod. In the declaration itself GES included the affirmation of the right of people to free association, the right of all citizens to take part in responsible political protest, the right to freedom of choice in education and the right to be free from all forms of discrimination.

This leftist viewpoint of GES was accepted by the synod with a great majority of votes. It is now being made available to churches and congregations in pamphlet form.

The synod's resolution represents the high point of a long campaign on the part of leftists in the church. This campaign revolved mainly around professors of Potchefstroom University and organizations such as the Reformation Movement of South Africa.

This turn taken by the synod will be welcomed by leftist pressure groups within the Dutch Reformed Church which they are preparing for the general synod of 1986. An effort will be made at this synod to sway the Dutch Reformed Church to the left with respect to the present conflicting ideas.

7964

CSO: 3401/122



SOUTH AFRICA

MWU CHAIRMAN CALLS FOR MORE AV MEMBERS, DEFENDS JOB RESERVATION

Pretoria DIE AFRIKANER in Afrikaans 6 Feb 85 p 3

[Text] The chairman of the influential Mineworkers Union (MWU), Mr Cor de Jager, has made an appeal to white workers to join the Afrikaner National Guard (AV).

During his address as chairman at the just concluded MWU's congress Mr De Jager said that the AV offers to the white worker and his family the opportunity for perpetuating his cultural needs. Mr De Jager said that he wished to take the opportunity for acknowledging the establishment of the AV under the leadership of Prof Carel Boshoff.

Mr De Jager reconfirmed the MWU's strong opposition to the abolishment of job reservations in the mining industry. The replacement of the term "scheduled person" with the new term "competent person" in the legislation for this will open the way for people of other color to fill any position in the mining industry. White mineworkers will then end up working for a black shift boss, mine chief or manager.

Mr De Jager said that the present legislation had been working fine "until the winds of change muddled relations in the mining industry as well." Pressure is now being exercised on the MWO to betray and trap the workers with this far reaching change without even lifting a finger.

"We must now negotiate with the Chamber on Mining for the purpose of defending the white worker; this is something that has not been necessary, because we have been defended by the present legislation. We know that overprotection is not healthy and could lead to work inefficiency and lack of responsibility; however, those who do not tolerate any job regulation are leaving the door open to serious friction in social, political and labor areas."

In the past it has been said that regardless of how important the rate of growth may be it should not enjoy priority over the status of the white worker. It has also been said that if a choice is to be made between the rate of growth and the status of the worker then the rate of growth ought not enjoy priority. Another thing that has been said is that the government and job reservation stand between communism and the trade unions.

"Can you see now why the white worker feels that he has been left in the lurch? I want to assure the white worker that the MWU will not allow a situation to exist where he will be told what to do. Until we will have received a written document we shall refuse to even look at the proposed amendment of the phrase 'a scheduled person.'"

Mr De Jager went on to say that the high rate of inflation and the increase in taxes and prices have placed an unbearable pressure on the white worker. This pressure can be reduced if everybody would bear his part of the tax burden. If one looks at the financial reports of the big companies and banks then one could see who profits from the present situation. Mr De Jager said that he would like to ask if the time has come for imposing a surplus profits tax.

7964

CS0: 3401/122

SOUTH AFRICA

CITY'S RATE OF ECONOMIC GROWTH EXAMINED

Port Elizabeth WEEKEND POST in English 9 Mar 85 p 1

[Article by Louis Beckerling]

[Text]

OFFICIAL statistics just released show the Government is misled about the rate of economic growth in Port Elizabeth.

Contrasting with claims by the Government of an annual average growth rate during the '70s of 17%, inflation-adjusted, real economic growth in the PE/Uitenhage area during the period 1975-78 was only 1%.

In a public row this week with Port Elizabeth PFP MPs Mr John Malcomess and Mr Andrew Savage, Cabinet Ministers Lr Dawie de Villers (Trade and Industry) and Mr Chris Heunis (Constitutional Development and Planning), claimed the economy of the area had grown on average by 17% per year over the period 1968-80 — and that this was "higher than the national average".

Publicly-available statistics show, however, that PE's growth rate significantly lagged that of the country during the period 1972-78.

Figures published by Central Statistical Services in Pretoria (the former

Department of Statistics) show that the gross domestic product of the country — which measures the total value of the output of all goods and services produced within the country's borders — grew at an average annual rate of 12.3% in the period 1970-72; 20.2% in the period 1970-75; and 12.7% in the period 1975-78.

These figures provide current values of economic output and are not adjusted for inflation.

By contrast at current values the gross geographic product of the PE-Uitenhage region grew by 10.3% in the 1970-72 period (2% below the national average); 17% in 1972-75 (3.3% below the national average), and only 10.2% in 1975-78 (2.5% below the national average).

In the process PE/Uitenhage's contribution to the national economy shrank steadily during the '70s, from 4% in 1970 to 3.4% in 1978 — or an overall 15% decline in a share of the national "cake".

The official figures contradict the Ministers' claims that PE's growth rate has outstripped that of the country.

Furthermore, claims of a 17% growth rate fail to take into account the effect of inflation, and after this is done the measure of real economic growth in the area is considerably reduced.

Applying a GDP deflator of 7.9% for the period 1970-72 reduces the average annual growth rate for PE/Uitenhage over this period at current, or inflated prices, to a real rate of growth of only 4.4%.

A GDP deflator of 14.5% for the 1972-75 period reduces inflated growth figures to a real measure of 5.7%, while a GDP deflator of 11.7% for the 1975-78 period puts real economic growth in the area over this period at only 1%.

Gross economic output in PE/Uitenhage in 1970 of R452.4 million amounted to 4% of the total GDP for the country of R11 171.5 million, and by 1978, the output of the area, at R1 177.4 million had declined to 3.4% of the total of R34 939 million.

A detailed examination of the sectoral contribution to gross geographic product is not possible in the case of

the 1978 figures, since only total outputs for the various regions is provided.

However the figures for the period 1972 to 1975 show that the growth rate of PE's industrial sector lagged considerably behind that of the country — and a little under half of the total value of the local economy is derived from its manufacturing sector.

In 1972, at a value of R158 million, the output of PE's manufacturing sector was 6,6% below the R169,2 million recorded in 1970 (by contrast the country's manufacturing output rose 14,2% at current values over this period).

By 1975 PE's manufacturing sector had grown at an annual average rate of 21% to R257,8 million, whereas the annual average growth rate for the country as a whole over this period was 28,2%.

Commenting on these figures yesterday, Mr Andrew Savage said the comparison of PE's real growth rate compared with that of the remainder of the country should be of concern to "everbody in Port Elizabeth.

"And of even greater concern is the doubt that such figures were ever provided for the Ministers who made far-reaching decisions affecting Port Elizabeth's future.

"In the light of figures the Minister uses, we wonder whether in fact that was the only figure given to him at a time when he was deciding what assistance Port Elizabeth should get in terms of the Government's decentralisation scheme?"

(Report by L. Beckerling, 19 Baakens Street, Port Elizabeth.)

CSO: 3400/932

SOUTH AFRICA

## WITS OFFERS SOPHISTICATED RESEARCH SERVICE TO INDUSTRY

Johannesburg THE STAR in English 25 Mar 85 p 13

[Article by Stan Kennedy]

[Text]

By Stan Kennedy

Through its research, the Materials Handling Research Unit at the University of the Witwatersrand has saved South African and overseas industrialists millions of rands in the past few years.

With the opening of a technology centre called UWtec at its Science Park today, the university's Faculty of Engineering is able to offer an even more sophisticated service to industry.

Until now, Science Park has comprised the Materials Handling Research Unit and the Mechatronics Research Facility. These have been amalgamated and their activities streamlined under one management team.

UWtec is geared to undertake research into many different fields of activity: from fully automatic warehousing systems to the development of specialist low-technology pumping systems for rural communities, and from

investigations into the use of robot technology to the study of materials handling systems.

It was established by Professor Roy Marcus, dean of the Faculty of Engineering, together with Professor Mike Rodd, deputy dean, with the aim of forging a close partnership between the university and industry.

UWtec offers academics and students the opportunity to work together with industrialists to solve problems, thereby making important contributions to the development of the country.

The university is confident that the centre will help discourage the current brain drain by offering graduates and undergraduates top research facilities.

UWtec also gives those involved in industry the chance to broaden their knowledge of technology. Correspondence courses specifically tailored to meet the requirements of a large cross-section of South African industry are offered under the auspices of the Wits Division of Continuing Engineering Education.

Last year more than 800 registered for these courses and with the launching of UWtec, more people are expected to enrol.

CSO: 3400/932

SOUTH AFRICA

CONTAINER SERVICE SEEKS HELP

Johannesburg SUNDAY EXPRESS in English 24 Mar 85 p 11

[Article by Tony Koenderman]

[Text] THE South Africa-Europe Container Service, SAECS, is contemplating further rationalisation measures to cope with the collapse of freight traffic between this country and Europe.

Ships sailing south are now operating at only 50% capacity, according to SAECS chairman Mr Neil Sempill. And while ships on the north-bound leg are 70% full, the export traffic is low-rated and therefore less profitable for the shipping lines. The result is that despite the high capacities on the north-bound leg, its contribution to profits is about the same as that of the south-bound leg.

Not that there is much profit just now. Whereas last year the SAECS lines made 2%-3% return on capital, currently their return is nil.

The average south-bound freight rate is about \$115 (R221) per ton, as against \$62-\$65 (R119-R125) on the north-bound leg.

"We are carrying slightly more than 2-million tons a year on the south-bound leg now, and about the same north-bound," said Mr Sempill. "A year ago we were carrying more than 3-million tons south-bound and 1.5-million to 2-million tons north-bound."

There has been a growth in wool and fruit exports.

There has already been substantial rationalisation of the service. Two of its nine large container ships (each of 2 450 container slots) are out on charter elsewhere, leaving seven large vessels, three smaller container ships (1 350 slots each) and four 'roro' (roll-on, roll-off) ships plying the Europe-South Africa trade.

Quite clearly the current needs of the service could be served by taking another two large ships off. Alternative measures could include some form of sharing of facilities between the north-west Europe and Mediterranean

services (for example, carrying Mediterranean cargo to a trans-shipment point for transfer to vessels running to and from north-western Europe), or reducing the frequency of sailings.

However, no decisions have yet been taken, Mr Sempill said.

The viability of the shipping lines has also been affected by intensive competition from independent non-conference operators which have captured 20% of the trade by cutting rates.

"Rates are 30%-40% below what we would require to get a reasonable return on capital," Mr Sempill said.

Though the independent lines force rates down, they seem no better able to survive the low rates than the conference lines. In the past seven or eight years, 15 non-conference lines have entered the trade and subsequently withdrawn.

Currently, three lines — Mediterranean Shipping, MACS and Europe-Africa Line — are working the trade. Europe-Africa Line is using small fully cellular ships, thus providing a real alternative to the SAECS container service.

Another expansion of container facilities serving Southern Africa is due to take place in May when Maputo is scheduled to operate its container facilities.

But Maputo is unlikely to see a marked increase in traffic until the security of the rail links to the Transvaal and Zimbabwe can be assured. The Maputo-Komatipoort line has been sabotaged repeatedly by Renamo guerrillas in recent months.



SOUTH AFRICA

THREAT OF COMPUTER FRAUD NOTED

Johannesburg THE SUNDAY STAR in English 24 Mar 85 p 1

[Article by David Cumming]

[Text] SOUTH AFRICA'S beleaguered business community faces yet another threat in the form of computer crime, which could cost it at least R100 million this year.

The figure could rise as high as R200 million.

This is the estimate of members of the Institute of Internal Auditors, who believe much of it could be prevented by management.

They base their fears on an explosive combination of recessionary times and the increasing number of computer systems.

As the pressure on personal finances grows, they say, so will the temptation to defraud companies. The ingenuity required to steal R10 000 is the same as that to steal R10 million.

They point out that people are driven to take desperate measures as personal commitments grow, or because they need to repay debts when they try to gamble their way out of trouble, or simply because they are bitter about being passed over for promotion.

Computer security expert Paul Credo said computer crime was shadowy since less than 10 percent became public knowledge. Companies were at pains to prevent "egg-on-face" situations — more so in South Africa because of the relatively small size of the local business community.

They were also reluctant to prosecute because they feared publicity could lead to "copy-cat" crimes. This created a major problem in computer crime: no exchange of valuable information to prevent its recurrence.

Many managements were unaware of the extent of computer crime.

"I recently investigated a case in which a company was prepared to write off a R175 000 stock-loss, blaming it on a poor computer system. I was convinced there was fraud but the company did not pursue the matter.

"In another case I investigated what the client believed to be fraud involving R5 000. We discovered the sum was at least R50 000 and when we reached the end it was R250 000."

He agreed with assertions by the Institute of Internal Auditors that management control could prevent much of the crime which took place.

SOUTH AFRICA

IMPACT OF RECESSION ON HILLBROW SHOPS REPORTED

Johannesburg SUNDAY TIMES in English 24 Mar 85 p 3

[Article by Ciaran Ryan]

[Text]

By Ciaran Ryan

ABOUT 50 shops are empty in Hillbrow, Johannesburg's flatland, and more than 200 are in serious financial trouble, says Peter Rose, public relations officer for the Hillbrow Traders Association.

A familiar landmark in Hillbrow, Snobs 'n Slobs on the corner of Claim and Pretoria streets, is to close at the end of April as a result of the recession and a steady migration of shoppers to the Johannesburg suburbs.

### Desperate

Mr Rose told Business Times: "The situation is now desperate. We have asked bank managers and landlords to extend credit to traders until flexible trading hours are introduced."

Hillbrow retailers have urged the Transvaal Provincial Administration to introduce flexible trading hours on the grounds that trade is dull during the day and comes alive only at night.

The provincial authorities reply that Hillbrow traders are allowed to open after hours, permission will have to be extended to all traders in the Transvaal.

### Defiant

Mr Rose said: "If there is no movement from the authorities on flexi-hours by May, I think retailers will take matters into their own hands and defy the law by opening after hours."

"We believe it is only a matter of time before flexi-hours come into operation. We have a plan for upgrading Hillbrow and we have the support of all major property owners."

The introduction of flexi-hours in Hillbrow is expected to result in a boom for traders and rentals are likely to soar. Landlords expect that empty space will be snapped up by businesses trying to capitalise on Hillbrow's late-night pedestrian traffic.

CSO: 3400/932

SOUTH AFRICA

FAK REJECTION OF NATIONAL GUARD ANALYZED

Cape Town DIE BURGER in Afrikaans 25 Feb 85 p 6

[Text] Leaders of the Afrikaner-Volkswag [Afrikaner national guard] reacted angrily to the rejection by the FAK [Federasie van Afrikaanse Kultuurvereniginge--Federation of Afrikaans Cultural Societies] of their request for affiliation with that umbrella Afrikaans cultural organization.

That characteristic reaction obviously stems from frustration because another far-right piracy strategy has failed and will evidently lead to an even further increase in the divisive actions with which the schism-makers politicize all aspects of Afrikaner life.

The Volkswag did not succeed in hoodwinking the FAK with the promise that it isn't a political movement. The FAK rightly points out its real position as one of the most important reasons for rejecting the request.

Even before its founding it was emphasized in Volkswag propaganda that it was being established in reaction against the new constitution and afterwards its leaders made clear that they did not want to draw a line between "culture" and "politics." Through its founding, in the overheated atmosphere of the Skilpadsaal [Turtle Room]--the stage for imitated Nazi salutes, rolling eyes and talk of war--it was clear that the Volkswag was standing on three political legs, the KP [Conservative Party], the Herstigte [Herstigte National Party] and the AWB's [Afrikaner Resistance Movement] tar-and-featherers.

In addition to the fact that an image of militarism and extremism had struck to the Volkswag from its inception, it hasn't been able so far to succeed in any way in showing a real need for another cultural organization.

The only thing that is clear is that Prof Carel Boshoff wants with his movement to bring together under one blanket all the far-right organizations and parties, whose leaders still can not stand each other.

Real political actions happen under the umbrella of culture, while the boasting is in the name of the Afrikaner. And this is perhaps the most harmful of all this fuss. Because this happens at a time when thinking Afrikaners realize that in increasing isolation and exclusivity there is no hope for Afrikaners.

Only in growing contact and cooperation with other groups will Afrikaners be able to continue to play a positive role in this land. The inward direction the far-right schism-makers have taken is doomed.

SOUTH AFRICA

DETAILS ON DIAMOND STOCKPILE GIVEN

Johannesburg THE CITIZEN in English 13 Mar 85 p 23

[Article by Daan deKock]

[Text]

DIAMOND stocks held by the CSO, De Beers Consolidated Mines' selling arm, increased by no less than R1,6-billion to a massive R3,9-billion at the end of December 1984.

De Beers says the bulk of this increase (R1 385-million or 85 percent) is directly attributable to the change in the rand/dollar exchange rate. A total of R45-million was attributable to the inclusion of the stocks of new subsidiaries, and only R191-million as a result of stocking during the year.

De Beers' consolidated income from the diamond account increased by nearly 34 percent, which is in line with the increase in rand terms of the sales of the CSO. Items such as high inflation, higher interest charges and borrowings, and higher prospecting and research costs — just to name a few — eroded income to such an extent that the increase in after-tax profits (excluding its share of re-

tained profits and extraordinary items of associates) was contained to 8 percent.

This amounted to R332,5-million or 92,4c a share compared with R307,7-million or 85,5c a share, as re-stated. Including its share of retained profits from associates, earnings rose 28 percent to R677,7-million (R530,2-million) or 188,4c (147,4c) a share.

De Beers kept the final unchanged at 27,5 for an unchanged total of 40c.

On the market a small increase in the final was expected, but despite the news that it will keep the final unchanged, the share held firm on the JSE at 905c.

The diamond account was boosted to R575,2-million from the previous year's R430,2-million, mainly as a result of the depreciation of the rand against the US dollar and also the slight improvement in diamond sales.

Income from investments outside the dia-

mond industry amounted to R183-million (R162-million) while other income totalled R80-million (R67-million).

The major increase in revenue came from De Beers' share of the retained profits of its associates, which jumped from R227-million to R345-million. This is a result of extraordinary profits made by Minorco and disposal of part of its stake in Phibro-Salomon.

Prospecting and research expenditure was R97-million (R66-million) while interest payable increased by R82-million to R155-million. This was mainly the result of increased borrowings, higher rand interest rates and the depreciation of the rand.

Tax and the State's share of the profits amounted to R169-million (R165-million).

Net profit attributable to deferred shareholders, after deducting profit attributable to outside shareholders, amounted to R678-million (R530-

million), to which should be added the group's share of extraordinary profits of associated companies amounting to R56-million (R6-million).

According to the balance sheet borrowings have been reclassified into long and medium term liabilities and borrowings against facilities of up to one year which continue to be reflected under current liabilities. The 1983 figures have also been restated.

Fixed assets rose to R711-million (R50-million). Long and medium term liabilities increased by R465-million, and net current assets improved by R185-million, resulting in a net apparent increase in funding of R280-million.

This increase was, however, less than the increase of R349-million which would have resulted from the application of the change in rand/dollar exchange rate to such liabilities and assets brought forward from the previous year.

SOUTH AFRICA

MORE TEXTILE INDUSTRY RETRENCHMENT EXPECTED

Johannesburg THE CITIZEN in English 19 Mar 85 p 23

[Article by Tim Clarke]

[Text]

DURBAN. — Mr Richard Savage, president of the Natal Clothing Manufacturers' Association, predicted yesterday that unless conditions improved vastly a further 2 000 workers in the industry in the province would be retrenched towards the middle of the year.

Mr Savage painted a sombre picture of the industry and said there did not seem to be much hope at this stage that conditions would improve.

He said that 2 000 Natal clothing industry workers had already been paid off this year. Individual firms were doing their best to

cope with the situation. They were trying to find other markets and some of them had gone on short time rather than taking the drastic step of retrenching workers.

However, a leading clothing manufacturer in Durban, Mr Denis Solomon, painted a happier

picture of the situation and predicted that firms would have to double their output in the next 15 years to meet the demands.

He said that some companies had dramatically increased their exports, particularly to the United States, in the last few months.

He was optimistic that there would be an upturn in the industry towards the end of the year.

CSO: 3400/857

SOUTH AFRICA

INCREASE IN TRADE WITH BRITAIN PREDICTED

Johannesburg THE CITIZEN in English 16 Mar 85 p 4

[Article by Brian Stuart]

[Text]

CAPE TOWN. — Britain looks forward to increased trade and investment in South Africa in spite of the disinvestment lobby in the United States, says visiting British trade expert Mr Christopher Roberts.

Britain is already South Africa's biggest source of foreign investment capital, accounting for one-third of all foreign investment in this country, Mr Roberts told The Citizen in an interview.

Mr Roberts who is chief executive of the British Overseas Trade Board returns home today after a week-long visit to South Africa which convinced him there were new avenues for British trade and investment in this country.

In the past Britain had been a major supplier of mining machinery, power generators and machine tools to South Africa. He believed Britain could now offer this country the information, equipment and technology to help in both on-shore and off-shore oil and gas exploration.

"For example if one looks at the Mossel Bay developments our companies have experience in the British North Sea conditions which are quite similar to those of the Southern Coast of South Africa."

He discounted the possibility of the American disinvestment lobby influencing British economic ties with South Africa. "When it comes to decisions of the companies concerned it is their money which is at stake."

"The British Government does not go along with proposals for embargoes on investment and trade," Mr Roberts said.

There was no doubt that the majority of people in Britain disapproved of apartheid but there was an awareness that disinvestment would be to the disadvantage of people of colour in South Africa.

Mr Roberts said that while Britain was South Africa's largest source of investment capital from abroad America's trade with this country was larger on a per capita basis. However the average Briton spent R24 a year

on imports from South Africa compared with an average of only R8 spent by an American on South African goods.

He also believed that the decline in both the rand and the pound as against the dollar made South Africa and Britain better trading partners.

Mr Roberts was optimistic about the results of the present recession in South Africa — "four to five years ago we went through the same sort of recession."

"One of the consequences was that our companies were compelled to improve quality to ensure delivery dates to become more competitive."

Mr Roberts said he would return to Britain better able to inform British industry of the trade potential in this country.

While in South Africa he had talks with a number of Ministers including Dr Dawie de Villiers (Trade and Industry) Mr Kent Durr (Deputy-Minister) and Mr D W Steyn (Mineral and Energy Affairs).



SOUTH AFRICA

TENECO TO INJECT R-24M INTO SOUTH AFRICAN ECONOMY

Johannesburg THE CITIZEN in English 20 Mar 85 p 11

[Article by Tony Stirling]

[Text]

TENECO, the giant American oil corporation, is to invest a further R24-million in South Africa over the next two years in bidding to capture a bigger slice of the agricultural equipment market after taking over the agricultural division of International Harvester.

The South African leg of the takeover deal was signed in Johannesburg yesterday.

The total takeover of these interests by the Teneco subsidiary J I Case involves about R1 000 million.

Teneco is the 20th largest corporation in the United States and rates among the top 40 in the world. It has big interests in oil, but is involved in many fields of manufacture and business ranging from chemicals to packaging, insurance and real estate.

The local managing director of J I Case, Mr Barney Strydom, said that about R14 million would initially be made available "to get the show on the road."

There would be a further injection of about R10 million next year as capital for expanding the dealer network and opening new branches.

In the rationalisation that had taken place to effect the takeover, no employees had lost their jobs, although a few had left voluntarily.

Expansion taking place would, in fact, create about 350 new jobs for skilled technicians, and sales and administrative staff.

Although the "disinvestment option" had become a sensitive issue in the United States, Teneco were business people,

pragmatic, and had a responsibility to stock holders to invest in markets with the best returns and growth.

"We believe South Africa offers excellent investment opportunity," he said. In particular, in so far as J H Case was concerned, the envisaged population expansion the agricultural sector would require highly sophisticated technology.

"We want to participate in that," said Mr Strydom. The company, which together with International Harvester at present holds about six percent of the tractor market in South Africa (of about 9 000 units a year in present depressed conditions) aims to increase its share to 20 percent by 1988/9.

The company, using the name of Case International for its tractor range, would be marketing the full range, which includes the smaller tractors made by International Harvester and the bigger units in which I H Case specialises.

The tractors, apart from engines and some components, are imported from the United States, Germany and Britain.

The takeover move and the backing of Teneco had assured the future after a period in which I H Case and International Harvester had been going through difficult times.

The beauty of the rationalisation, said Mr Strydom, was that by consolidating capacity, unit costs had been reduced and would allow immediate profitability even in today's depressed market in South Africa.

Apart from tractors the company also manufactures combines and a range of agricultural equipment.

SOUTH AFRICA

GERMAN EXPORTS TO SOUTH AFRICA INCREASE

Johannesburg THE CITIZEN in English 23 Mar 85 p 17

[Text]

SOME 15 percent of all South African imports normally originate from Germany, but during 1984 Germany increased its exports to the Republic by a third, despite worsening economic conditions here.

These figures are disclosed by the SA-German Chamber of Commerce and Industry in its analysis of German trade statistics just released.

Combined trade imports and exports amounted to close on R5 000-million — R3 324,7-million in exports to South Africa and R1 488,5-million in imports from South Africa.

Significant increases in German exports have been achieved in the supply of motor vehicle components, which increased by 46,2 percent, reaching a volume of R1 000-million.

Another area is the electrical industry, in which exports increased by 23,3 percent, reaching R432-million.

Nearly 85 percent of

German exports to South Africa fall into the category of end products, which reflect the demand for products linked to German technology.

South African exports to Germany increased by 8,6 percent in DM terms, although there was a 19,6 percent drop in the sale of Krugerrands during the year.

Krugerrands form approximately 10 percent of all exports to Germany.

Exports of agricultural products showed a decrease of 5,5 percent, to R186-million, but fruit and citrus exports show increases of 20 percent and 16 percent respectively.

Raw material exports to Germany increased by 17,9 percent, to R496-million. Primary products reached R468-million, and semi-finished products R125-million.

The chief executive of the SA German Chamber, Mr Achim Strake, said it is the belief of the chamber, which promotes two-way trade

that there is still scope to expand the export of finished products made in South Africa, if market development is done on a selective basis, as it is sometimes difficult for South Africa's manufacturers to fulfil orders according to the quantities required. The present exchange rate should also be of benefit and should be exploited, he said.

"More consideration should be given to exhibiting South African goods at Germany's international exhibitions and trade fairs, as these have established themselves worldwide as international market places," he added.

SOUTH AFRICA

TRADE UNIONS DECLARE DISPUTE WITH CHAMBER OF MINES

Johannesburg THE CITIZEN in English 23 Mar 85 p 4

[Text]

THE Council of Mining Unions, representing 20 000 workers in eight trade unions, yesterday declared a dispute with the Chamber of Mines on the 1985 review of wages and working conditions on Chamber gold mines and collieries.

The negotiations,

which began on Thursday, deadlocked yesterday when the CMU refused to modify its demand for an overall 20 percent increase in wages. The Chamber, which began the negotiations with an offer of 8,5 percent, improved its offer yesterday to 9,5 percent but would not go further to meet the council's demands.

Announcing the declaration of the dispute yesterday the Chamber said in a statement that at the start of negotiations on Thursday the CMU had demanded a 20 percent wage increase and further improvements exceeding seven percent.

"The Chamber responded with an offer of 8,5 percent wage increase and the CMU changed its demand to an overall 20 percent.

"At a second meeting today the Chamber improved its offer to a 9,5 percent wage increase together with an increase in the split shift allowance.

"The council did not moderate its 20 percent demand and declared a dispute," the statement said.

The CMU consists of the Mine Workers Union and the seven unions belonging to the Federation of Mining Unions. These are the SA Boilermakers Society, the Amalgamated Engineering Union, the SA Electrical Workers Association, the Amalgamated Society of Woodworkers of SA, the Amalgamated Building Trade Workers of SA, the Iron Moulders Society of SA and the SA Engine Drivers, Firemans and Operators Association. — Sapa.

CSO: 3400/857

SOUTH AFRICA

PLAN TO MARKET SURPLUS EGGS AIRED

Johannesburg THE CITIZEN in English 23 Mar 85 p 5

[Text]

THE EGG Board has high hopes that it is on the brink of a major breakthrough in Africa — a move which could help to improve relationships between the Republic and Black states.

The "secret weapon" is a substance known as F F F Fuit For Future.

It is a new instant product made of eggs, protein rich, and is to be exploited as a way of "moving" the country's increasing egg surpluses.

The deputy general manager of the board, Mr

Dawie Gouws, said in Pretoria that the product had already met with considerable interest in a number of African states.

Consumption and distribution possibilities in South Africa were limited to some extent. Companies and organisations with big Black labour forces had placed orders for the product and plans were to sell it via supermarkets in time.

Mr Gouws said that consumption of eggs was dropping generally in the Western world — including South Africa — as living standards increased.

At the same time production methods were improving to the extent that farmers were producing more eggs from fewer chickens, and no longer had to keep as many chickens as they had in the past.

In addition, consumers in the Western world were tending increasingly to prepacked, pre-prepared foods.

"The underdeveloped Third World countries have a chronic shortage of protein-rich foods and eggs, in their natural shell form, are difficult to get to these countries and to be distributed in the absence of a good infrastructure."

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SOUTH AFRICA

DECLINE IN LIVING STANDARDS EXPLAINED

Johannesburg THE CITIZEN in English 19 Mar 85 p 11

[Text]

A TEMPORARY decline in the average standard of living of South Africans had to be accepted as inevitable before the economy improved, the Minister of Finance, Mr Barend du Plessis, said.

"This burden has to be borne equitably across the widest possible front."

Indications were that real gross domestic expenditure would fall by about four percent during 1985 and that real gross domestic product would show little improvement on 1984.

"During the past two years, the South African economy has been severely buffeted by an unprecedented and continuing stream of adverse, extraneous developments that has inevitably left us less well-off as a nation than we would otherwise have been."

This had brought about a "painful process" of belt-tightening and adjustments.

"A temporary decline in the average standard of living, before it resumes its upward movement, must therefore be accepted as inevitable," Mr Du Plessis said.

Until about the middle of last year, the response of fiscal and monetary policy to the economic climate had been too slow and lenient, he said.

This had permitted spending to rise at an excessive rate with adverse consequences.

More resolute application of the Government's financial stabilisation policy since mid-1984 had achieved initial objectives.

"Despite these policy achievements, the mix of monetary and fiscal policy thus far has not been ideal," Mr Du Plessis said.

High interest rates had adversely affected many farmers but had not always been high enough to prevent overspending.

Mr Du Plessis said the marked economic upswing which preceded the present downturn had stemmed largely from Government and private consumer spending.

These included a decline in the gold price from a peak of more than 511 dollars an ounce, the drought and the sluggish recovery in world demand for some main non-gold exports.

"The upshot was a weakening of the balance of payments, a substantial depreciation of the rand and increased inflationary pressures."

Real gross domestic expenditure had gone through two distinct phases during 1984. At a

seasonally adjusted annual rate, it had risen by 10 percent during the first half of the year, and then fallen by 5,5 percent in the second, resulting in an average increase of slightly more than 6 percent over the whole year.

Private consumption expenditure had risen by 8 percent in the first half of the year and fallen by 9 percent in the second half, giving an average increase of 2,5 percent for the year.

Government consumption expenditure had increased by 9,5 percent while gross domestic fixed investment had declined by 2,5 percent.

"Present indications are that real gross domestic expenditure will fall further by about 4 percent during 1985 and that real gross domestic product will show little increase over 1984."

CSO: 3400/857

SOUTH AFRICA

#### RESIDENCY PERMITS OF BLACKS RECONSIDERED

Cape Town DIE BURGER in Afrikaans 25 Feb 85 p 3

[Text] DIE BURGER has it on good authority that the parliamentary standing committee on cooperation and development will soon consider a law change which will mean that the permanent residency permit a black has gained in one area will also be valid in other areas.

The existing regulation in Article 10 of the municipal law, which requires that a black have a permanent residency permit in the area of one developments council only, has begun to become counterproductive, civil servants in the department of cooperation and development said yesterday.

Among other things, this had led to unwillingness on the part of blacks to go to areas, which, due to decentralization are being developed, for fear that they will lose their permanent residency permit.

Because of the existing law, a black would lose his permanent residency permit if he stayed in his homeland for a considerable time or if he left the area where his residency permit was valid. The residency permit that he has in one area is not applicable to another area too. It is also extremely difficult for a black to get another residency permit once he lost one.

#### Linkage

Because of the intended change, a black will retain the residency permit he has gained, regardless of where he is. This will entail, among other things, that a black who becomes unemployed in one area could lawfully look for refuge in another area.

Civil servants involved in the case yesterday told DIE BURGER that the granting of residency permits will always be linked to the availability of work and housing, regardless of intended changes.

The proposed law change involved has already been drafted. This draft is at the moment with the constitutional law advisers and will presently be introduced in the standing committee on cooperation and development for consideration. It has been learned that the intended change will be implemented this very year.



SOUTH AFRICA

BRIEFS

MEAT FIRMS--Windhoek.--The Administrator-General of SWA, Dr Willie van Niekerk, yesterday announced comprehensive guidelines to revitalise the meat industry in the territory. Dr Van Niekerk's decisions were contained in a White Paper following the recommendations of a commission of inquiry into the SWA meat industry. The White Paper stated it was in SWA's best long-term interest to acquire optimal penetration in South African-controlled areas for the marketing of cattle and carcasses. The authorities in the territory would negotiate marketing quotas with the South African Government, as an integral part of an overall marketing strategy. According to the White Paper, the SWA Government would not guarantee bank loans to the SWA Vleis (Pty) Ltd group of companies, but the government was prepared to subsidise some of the interest on bank loans in times of high interest rates. [Text] [Johannesburg THE CITIZEN in English 22 Mar 85 p 8]

TRAINING SERVICES ALLOCATION--The Government was acutely aware of the need to ensure an adequate supply of all categories of skilled manpower, the Minister of Finance, Mr Barend du Plessis, said yesterday. He said the allocation to the Department of Manpower's training services had been increased by 14 percent to R103-million. "However, I share the belief that there should be a more equitable sharing of the cost burden of training, firstly between the Government and the private sector and, secondly, between the various industries and employers within the private sector." [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 14]

BLACK HOUSING--An amount of R118,2-million was to be added to the capital of the National Housing Fund for the provision of Black housing, the Minister of Finance, Mr Barend du Plessis, said in the Budget speech yesterday. This provision, under the vote of the Department of Public Works and Land Affairs, was in addition to the provision made under the Co-operation and Development Vote, where some \$72,2-million was set aside for housing. Because housing was an own affair in terms of the constitution, the Ministers of the Budget in the various Houses of Parliament would furnish details of spending by respective own affairs departments in this regard to their own Houses. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 14]

DEFENSE EXPENDITURE--As a result of stringent economising, expenditure on Defence would increase by only 8,1 percent over the amount voted last year, the Minister of Finance, Mr Barend du Plessis said during his Budget speech

yesterday. He said the point that South Africa cannot, in the foreseeable future, do without a strong Defence capability needed no stressing. "However, the notion prevalent in certain circles that Defence expenditure is claiming an ever-growing proportion of the Budget is simply not true, since its share has hovered around 15 to 16 percent of total State expenditure for many years now. "As a result of stringent economising--for which I am very grateful to my colleague, the Minister of Defence,--I am able to propose an allocation of R4 274-million for this vote--only 8,1 percent over the amount voted to 1984/5. "More importantly, we should note that Defence's share in the total Budget, far from increasing, will actually fall marginally from 14 percent in 1984/5 to 13,8 percent in 1985/86," the Minister said. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 13]

DEVELOPMENT BANK PACKAGE--The 1985/86 package for the Development Bank of Southern Africa was 47 percent higher than for 1984/85, the Minister of Finance, Mr Barend du Plessis, said in his Budget speech. "Our continued support for the bank finds expression in a contribution of \$250 million to its development fund, the taking up of a further R30 million in shares and a payment of \$2 million to compensate for South African income tax paid by the bank's staff. "Normally the staff of international institutions are not subject to local taxation. Apart from the multi-national development aid provided via the Development Bank, further amounts had been included in the estimate of expenditure for regional development, the development of self-governing national states and of independent states, for further consolidation of states, and for South West Africa. "These amounts totaled R2 839 million in 1984/85, and will require R3 610 million next year, an increase of over 27 percent. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 13]

VENDA BANK LOAN--Venda.--A loan agreement with Venda was signed yesterday at the Sandton offices of the Development Bank of Southern Africa. The loan, R6,3-million at five percent interest, is for surfacing a 14-km stretch of gravel road from the Mbewi River, north of Thotoyandou, to Tshandama. The loan period is 20 years, with repayment to start in 1991. The agreement was signed by Venda's Minister of Economic Affairs, Mr F N Ravele, and the chief executive of the DBSA, Dr S S Brand. [Text] [Johannesburg THE CITIZEN in English 16 Mar 85 p 10]

COSTS RISE--Expenditure for 1985-86 would amount to R30 892-million, which was 13,6 percent above that for the previous year, the Minister of Finance, Mr Barend du Plessis, said in his Budget speech. This amount included supplementary expenditure of R164-million. If structural adjustments involving a net amount of \$599-million were excluded from the total--as it should be for purposes of comparison--the increase in total expenditure was 11,4 percent, which was well below the current inflation rate, he said. "Although total expenditure is much reduced in real terms, revenues on the existing tax base amounting to \$26 585-million will still be insufficient to finance the budgeted expenditures. "On this basis the deficit before borrowing will be as much as R4 307-million or some 3,7 percent of the expected Gross Domestic Product. "It is imperative that this budget should contribute towards economic recovery, lower inflation and meeting the requirements of sound financing cited before, notably, that current expenditure be not financed by loans. "Any deficit of

this magnitude will not meet the criteria and will in fact exacerbate our present unbalanced mix of fiscal and monetary policy measures. "The deficit substantially exceeds the total of our capital expenditure and must be brought down to more manageable proportions by first raising additional revenue before the remainder can be borrowed", the Minister said. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 11]

SYNTHETIC FUELS LEVY--A levy on producers of synthetic fuels was announced yesterday by the Minister of Finance, Mr Barend du Plessis. Introducing the budget, he said this levy should yield R70-million in 1985-86. "It is Government practice to determine local fuel prices. In its price determination the Government takes into account the rand-dollar exchange rate, since imported fuel is quoted in dollars. "The latest sharp increase in domestic fuel prices pegged them at levels that are placing local synthetic oil-from-coal producers in a particularly favourable position. "I therefore feel it would be only reasonable to call on these companies also to make a contribution to the fiscus in this difficult year ahead." Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 11]

SECRET POLICE ACCOUNT--House of Assembly.--Parliamentary control of State funds would not be weakened by the institution of a secret police account, the Minister of Finance, Mr Barend du Plessis, said. Delivering the Second Reading speech of the South African Police Special Account Bill, he said the measure was purely administrative. The rest of the country's security organisations had special accounts and the Bill was merely aimed at bringing the SAP into line with them and to provide for better administration. The account would be handled with the greatest circumspection and the Treasury would not let unnecessarily large balances build up in the secret fund. On the question of auditing of the special account, Mr Du Plessis said provision was made for thorough auditing by the Auditor-General. The only aspect that was limited was the extent of reporting allowed on the audit for security reasons, the Minister said. The establishment of a secret police fund was more likely to encourage than discourage secret police activities, Mr Ken Andrew (PFP, Gardens) said. Opposing the Second Reading of the Bill, he said the PFP objected to provision for the Minister of Law and Order to use the account to finance confidential activities he deemed to be in the national interest. This was a very wide concept and the PFP's "worst suspicions" in this regard had been confirmed by recent police actions. [Text] [Johannesburg THE CITIZEN in English 20 Mar 85 p 4]

RELIEF FOR UNEMPLOYED--One hundred million rand would be set aside for the continuation and extension of short-term work creation and relief programmes where severe unemployment was being experienced, the Minister of Finance, Mr Barend du Plessis said yesterday. He said the Government was aware of the increase in unemployment caused by the downturn in economic activity and was addressing the question on a broad front. This was in line with the White Paper on strategy for job creation tabled in Parliament last year. "A package has been devised for short-term relief, including special employment opportunities provided by public bodies and for which R27,5-million was made available in previous financial years; payment of unemployment benefits of

nearly R105-million in 1984; and free training, at a cost of nearly R4-million, for 9 250 workseekers. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 11]

'CHEAP' OIL PURCHASED--House of Assembly.--South Africa is buying the cheapest oil available on the world market, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, said in the Assembly. Replying to the Second Reading Debate on the State Oil Fund Amendment Bill, he said the supply position hadn't changed since 1979. "Oil is freely available and cheap." Asked by Mr Roger Hulley (PFP, Constantia) whether South Africa was paying a premium on oil, Mr Steyn replied that any premiums were "minimal." However, efforts to cut off the supply to the Republic had intensified and suppliers had warned that if South Africa disclosed where the oil was coming from, supplies would stop immediately. The object of the Bill, which is supported by all parties, is to create a better control system for evaluating Government involvement in oil procurement. The Bill was read a second time. [Text] [Johannesburg THE CITIZEN in English 22 Mar 85 p 4]

SANLAM DONATION--Bellville--Sanlam yesterday donated R100 000 to the community of Steenberg, a Coloured suburb southeast of Cape Town. Dr Fred du Plessis, chairman of Sanlam, handed over the donation to the executive director of the Urban Foundation, Mr Jan Steyn, in Bellville. The donation forms part of \$250 000 allocated to the Urban Foundation (UF) by Sanlam. Mr Colin Appleton, regional director of the UF (W Cape), said the R100 000 would be used for the Steenberg self-help project, which forms parts of a larger housing development comprising more than 2 000 homes on 68ha of land south of Military Road in Steenberg. [Text] [Johannesburg THE CITIZEN in English 22 Mar 85 p 15]

DISINVESTMENT ENDANGERS MEDICINE--Cape Town.--The president of the Medical Research Council, Professor Andries Brink, said disinvestment in any form including the medical field would conteract the aims and obligations of medical research. Opening a research symposium in Cape Town yesterday he said South Africa had a strong obligation to contribute towards medical knowledge in the future if local researchers were able to participate in international research. Medical research was a vital prerequisite to get to grips with the complex health problems of the country, Prof Brink said. Meanwhile a delegation of 60 top cancer researchers from the United States is visiting the South African Medical Research Council and hospitals in the Cape Peninsula. Their visit is the second in a series of tours to South Africa by American leaders in the medical field organised by the International People-to-People Organisation to promote co-operation and an exchange of knowledge in medicine. In January 12 American cardiologists visited heart research units in South Africa. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 23]

FILM SUBSIDIES--House of Assembly.--Total of \$4 343 854 was paid out in subsidies for Afrikaans, English and African language films in the 1983/4 financial year, the Minister of Trade and Industry, Dr Dawie de Villiers, said. In a reply to a question by Mr Harry Schwarz (PFP Yeoville), he said the subsidies were paid in respect of six Afrikaans, six English and 49 films in the Black languages. [Text] [Johannesburg THE CITIZEN in English 22 Mar 85 p 4]



NATIONWIDE ATM--Cape Town.--Multinet, the first shared automatic teller machine (ATM) network in South Africa, will be operational throughout the country from tomorrow it was announced yesterday. The system, developed by the Post Office, Standard Bank, United Building Society and Volkskas, first went live in the Pretoria area in January. About 900 ATM's countrywide will be available to clients of the four institutions. [Text] [Johannesburg THE CITIZEN in English 23 Mar 85 p 10]

EMPANGENI BUS BOYCOTT ENDS--Durban.--The two month old bus boycott in the Empangeni area, Zululand, has been resolved and yesterday the Black commuters were again using the bus service operated by Empangeni Transport (Pty) Ltd. After a meeting between officials of the Chamber of Commerce, the Chamber of Industries and the Commuters Committee and members of the bus companies, the commuters agreed to start using the buses again. The Commuters Committee put a series of proposals to the Commuters which they reluctantly accepted. Part of the agreement is that Empangeni Transport and three other bus companies, still to be set up by local Black businessmen, share all routes to the town. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 22]

HOUSE ARREST LIFTED--Windhoek.--The Minister of Law and Order, Mr Louis de Grange, has lifted the house arrest of a top-ranking Swapo office bearer, Mr Nathaniel Maxulili, sources in Windhoek said yesterday. Mr Maxulili, who holds the title of Swapo acting president, had been restricted to his house and place of work at Valvis Bay since 1968 in terms of the Internal Security Act. Legal sources said the order lifting the ban on Mr Maxulili had been served last week. [Text] [Johannesburg THE CITIZEN in English 19 Mar 85 p 22]

OIL PURCHASES--House of Assembly.--It was time to question whether it was necessary for the State to continue to procure South Africa's oil requirements, Mr Brian Goodall (PFP, Edenvale) said during the Second Reading debate on the State Oil Fund Amendment Bill. The PFP supported the Bill, which put the Auditor General, the watchdog of Parliament, in ultimate control over what secret funds should be released for the purchasing of oil. This support should however not be construed as support for the present structure of oil purchasing in South Africa. "One can understand that in the crisis years of the mid- and late 1970's there was a need for emergency measures. "But today the world situation has changed dramatically." [Text] [Johannesburg THE CITIZEN in English 20 Mar 85 p 4]

NATAL COAL DEALERS FEAR 'MONOPOLY'--Cape Town--Fears that further Government control of the coal industry would seriously affect the livelihood of many small Indian coal dealers in Natal have been expressed in a memorandum circulated to House of Delegate MPs by dealers. A deputation of coal dealers from Durban, accompanied by their lawyer Mr Kissoon Singh, discussed the fears at an all-party meeting in Cape Town this week which was also attended by Mr Amichand Rajbansi, Chief Minister of the House of Delegates and Mr Danie Steyn, Minister of Mineral and Energy Affairs. Mr Rajbansi said yesterday that in consultation with the Minister, the Second Reading of the Coal Resources Bill which was scheduled for debate in the House of Delegates yesterday had been held over to allow further discussions to take place

with coal dealers. The dealers said in the memorandum, harassment of smaller dealers had continued for years and it appeared that the Department of Mineral and Energy Affairs inevitably took the side of the few large dealers only. There were fears that in Durban, a monopolistic situation would arise with only one bulk dealer, they said. [Text] [Johannesburg THE CITIZEN in English 21 Mar 85 p 15]

WORKERS' INCREASES--Transvaal's 60 000 building-industry workers will not be getting their annual May increases this year. The Industrial Council for the Building Industry (Transvaal) announced yesterday that employers and trade unions had reached agreement to postpone wage increases until the end of October. Mr Wynand de Jonge Stapelberg, general secretary of the Industrial council, said the decision not to increase wages by six percent in May, had been taken to keep building costs as low as possible, thereby encouraging developers to proceed with building projects and thus provide employment opportunities for building workers. "The building industry has been seriously affected by the prevailing recession and it is hoped the sacrifice made by the Transvaal building workers will contribute to placing the country on the road to prosperity." He said the Transvaal building industry employed about 55 percent of all building workers in the country and the decision not to increase salaries in May would result in a saving to the industry of about \$1,6-million a month. [Text] [Johannesburg THE CITIZEN in English 23 Mar 85 p 9]

DESEGREGATION OF DINING CARS--Members of all population groups may purchase first- and second-class tickets and have the right to use the conveniences of those classes on the trains of the South African Transportation Services, but people of different races do not ride in the same coaches. Dining-car conveniences on all main line trains are open to all holders of first- and second-class tickets, however. According to a report that SAPA released Thursday, Mr Hendrik Schoeman, minister of transportation in the Council of Deputies, said that the government had decided to do away with apartheid on first-class passenger coaches and that that measure was welcomed by Indian MPs. Mr Leon Els, public relations officer at the ministry of transportation told DIE BURGER that Mr Schoeman had said that any person, regardless of race or color, may buy a first-class ticket and have the right to make use of the conveniences of that class. This does not mean, however, that people of different races may ride in the same coaches. [Text] [Cape Town DIE BURGER in Afrikaans 2 Mar 85 p 9] 8117

NEW TAX LAW FOR CISKEI--New taxation laws went into effect Friday in Ciskei. South Africa is inaugurating a series of reforms that are aimed at making Ciskei Africa's first tax-free state. Under the terms of the new tax laws, corporation taxes have been completely abolished. Personal taxation has been lowered to a fixed rate of 15 percent on incomes higher than 8 000 rands. In addition, property taxes and taxes on gifts have also been abolished. Married men and women will also be taxed separately. Since the announcement of these measures, the Ciskei People's Development Bank has been overwhelmed with inquiries from potential investors from South Africa and also from abroad. It is also the first time in a very long time that the people of Ciskei are returning to their homeland in greater numbers than they are leaving that state. Many people are also immigrating to Ciskei, and many are becoming established inhabitants of the district. The creation of an export processing zone is no longer a problem, either. Approval has been given to the first firm to import raw materials tax-free, for use in the manufacture of exportable items. [Text] [Cape Town DIE BURGER in Afrikaans 4 Mar 85 p 8] 8117



COETZEE DEFENDS TELEPHONE BUGGING--Johannesburg: People's telephones are being monitored by the police whenever the national security is in jeopardy, said Police Commissioner, General Johann Coetzee yesterday. Under the terms of the post-office act, the police may also listen in on other telephone conversations, but only after complying with a certain prescribed procedure, said General Coetzee. He most strongly denies that the police are monitoring people's telephone conversations in matters that do not affect national security and claims that the law can indeed empower the police to do this. General Coetzee reacted in a statement to a report in a Sunday newspaper, according to which he has made another statement admitting that the police are monitoring telephone conversations--even where national security is not endangered. He said yesterday that the whole question of police bugging of phones has been taken completely out of context. According to yesterday's statement, he was not approached to give an interview dealing with the affair and under no circumstances has any official statement concerning telephone bugging been released by him. The "statement" of General Coetzee followed on the heels of assertions made by a suspended Pretorian policeman, concerning "wholesale abuse" of telephone monitoring by the police, in a report that was sent to the opposition leader, Dr Frederik Van Zyl Slabbert. "In a chance conversation that dealt with other matters such as the Kubus affair, a few perfunctory remarks were made with respect to the problems stemming from phone monitoring," said General Coetzee yesterday. Captain M. Dippenaar of the department of public relations of the Pretorian police said: "The whole situation is now being taken out of context, making it look as if an official statement had been forthcoming from the police commissioner." Article Five of the police law authorizes police actions within the framework of that article. [Text] [Cape Town DIE BURGER in Afrikaans 4 Mar 85 p 5] 8117

GOVERNMENTAL ACTIONS COMPARED TO ZIMBABWE'S--When the South African army and police undertook a joint cleanup operation in Sebokeng and other black neighborhoods in October of last year, it occasioned more than misgivings: in certain regions there was vicious condemnation. One watches thus with interest to see what will happen now that Mr Robert Mugabe has unleashed the Zimbabwean army in a siege of Bulawayo's black neighborhoods and in a campaign against what they are calling dissidents there. Taken together with the perpetration of political violence last week in which at least 14 people died, it will strengthen the fear that this year's general election in Zimbabwe will not be free and equitable. Mr Mugabe wants very much to make a one-party state out of Zimbabwe. One prerequisite, however, is a greater victory at the ballot boxes. And it looks as if he will stop at nothing in order to attain this victory. His Shona-controlled Zanu-PF party is accused of intimidating the other parties through violent means. Opposition parties are often prevented from holding meetings, and they get very little attention in the media, which is controlled by the Mugabe government. The most important battle is against Mr Joshua Nkomo's Zapu, the party that is supported by most of the Matabeles. The relations between the Shonas and the Matabeles became a great deal worse last year, after the army, and especially the Fifth Brigade, was blamed for the mass murders in Matabeleland. It looks as if things have now reached a further low. Mr Mugabe can possibly contrive a greater victory at the ballot box with his dangerous methods. But it will be a victory that can bring no full and equal peace, stability and prosperity. [Text] [Cape Town DIE BURGER in Afrikaans 4 Mar 85 p 6] 8117

CSO: 3401/137

SWAZILAND

BRIEFS

SUSPENSION OF PASSPORTS--Mbabane--The issuing of passports and residence permits in Swaziland has been suspended "until further notice," a reliable source said yesterday. The source was unable to give any reasons for the move. Applicants for passports and residence permits were told by Interior Ministry officials in Mbabane yesterday they had been ordered last week to suspend issuing such documents until further notice. SAPA's Swaziland correspondent reports there has so far been no official announcement about the suspensions. Interior Ministry officials were not available for comment yesterday.--SAPA. [Text] [Johannesburg THE CITIZEN in English 2 Apr 85 p 11]

GEM OUTPUT INCREASE--Mbabane.--Swaziland is now able to produce at least 5 000 carats of quality diamonds a month--as good as any diamonds found in Southern Africa. The Dvokolwako Mines company in central Swaziland had already sold two packages of diamonds totaling 13 000 carats to buyers in Switzerland, the Minister of Industry and Mines, Mr Berek von Dissell, told Parliament this week. A third package of 4 000 carats was currently being sold there, he said. Unlike many countries that sold their diamonds to the central selling organisation, Swaziland preferred to sell by private tender in Switzerland after the government had obtained an independent and private valuation from South Africa valuers, he said. [Text] [Johannesburg THE CITIZEN in English 23 Mar 85 p 13]

CSO: 3400/857

ZAIRE

CORRUPTION REPORTEDLY MAINTAINS STRANGLEHOLD ON ECONOMY

Hamburg DIE ZEIT in German 8 Feb 85 p 14

[Article by Alfred Ludwig: "Blossoms Need the Jungle"]

[Text] Before the outstretched hand of the beggar who sits on the curb can take hold of the money, a policeman intervenes. "That is for me," he exclaims and grabs the money. My protest is in vain, the effect is the opposite: I have to hand him my passport. "Why doesn't it have a street address," he yells at me. It is useless to discuss it. The atmosphere improves when I reach for another banknote, ten times the amount of the previous bill. The policeman pockets the money, returns my passport, and finally he also returns the bill to the beggar.

The place is the African country of Zaire, which at one time was called the Congo. The general opinion that corruption is nothing unusual in developing countries cannot adequately describe the prevailing conditions in Zaire. In the meantime, corruption in that country has reached such dimensions that the World Bank came out with the following sober analysis in its 1983 world development report: "Raising additional income can become a compulsive major task. Public officials will not do anything without a bribe; the majority of the population is counterproductive involved, securing favors from public officials or buying their silence. As a result, corruption can become the actual reason for the existence of institutions instead of being only a nonessential aspect of their activities."

It is said that corruption is one of the everpresent phenomena of human society; it has always been there. Perhaps this is the reason why it does not take very long to get used to this "parallel economy," which--after one knows how to use it--seems to make everything wonderfully easy in an administration which otherwise seems so cumbersome.

One finds out how pleasant it can be when it comes to everyday things in life, for instance, when one wants to make a telephone call to Europe from the post office in Kinshasa, which may be black Africa's most beautiful capital. Instead of going directly to the counter and placing the call, one is surrounded by a group of gesticulating men as soon as one enters the post office. They offer their assistance when it comes to finding one's way through the administrative labyrinth of payment, registration and filling out forms. Everyone

of them seems to have the best connections to the postal director: with their influence, they emphasize, they can produce the desired connection faster, provided one makes a contribution for these services. A lack of time, a necessary evil for most Europeans, is a fertile ground where corruption can flourish abundantly. The system functions perfectly, there are no disappointments. A short time later the connection has been made. Hours of waiting or lack of success are avoided.

Upon leaving the office, the useful helper stays at one's side with his hand open. His reward is a guarantee of his service when the next time arrives. Now, at last, the foreigner realizes that corruption does not exist due to the fact that everything functions so slowly and laboriously but that corruption is the cause of it. To perpetuate its flourishing existence, nothing must be permitted to function any longer without it.

No doubt, corruption is an important economic factor--in a negative sense. Its first consequence is a serious decline of confidence in public authorities. In particular, employers can no longer calculate risks and invest productively. The private sector is eliminated as an important vehicle of development, corrupt government agencies have to intervene--corruption increases.

As a consequence, it would be premature to blame the depressed economic situation of a country like Zaire exclusively on something like declining world market prices for copper: today's per capita income is lower than it was 20 years ago, per capita agricultural production decreased by 15 percent during the last 10 years. Even for Africa it is a sad state of affairs. In addition, there is a \$5 billion foreign debt. At the same time, the list of mineral resources that can be found in Zaire reads like a fairy tale: copper, cobalt, diamonds, zinc, tin, manganese, uranium, gold, silver and petroleum. Zaire is the largest producer in the world of industrial diamonds and cobalt, it is in first place among Africa's tin producers and in sixth place among the world's copper producers. Agricultural exports consist of palm oil, rubber and coffee. In contrast to many other African countries, Zaire does not have a problem of space: in an area that is ten times the size of the FRG (with good agricultural soil) the population count is only half of what it is in our country, slightly more than 30 million. Do riches cause poverty? In view of the possibilities of the country it is sheer mockery that today Zaire is among the recipients of food aid.

It takes some skill to destroy a country with such a potential. Mobutu succeeded. He has adorned himself with the title of marshall and likes to be called a "leader with ingenious ideas." He has been president since 1965 and simultaneously the leader to the only legitimate party, the MPR (Mouvement Populaire Revolutionnaire) [Popular Revolutionary Movement]. He is also the commander-in-chief of the Armed Forces. He is not popular, but because he is protected by the military which is devoted to him, Mobutu counts among the survivors in the ranks of the dictators of the Third World, and he belongs in the same category as Alfredo Stroessner of Paraguay and Ferdinand Marcos of the Philippines. To be sure, he is not quite as shrewd as Marcos, but he shares Stroessner's ability to remove opponents quietly and permanently.

Mobutu's foreign policy phantasies earned him a certain reputation in Black Africa. A recent proposal of his caught attention. He suggested the establishment of an organization for Black African states, because the Organization for African Unity (OAU) is too much dominated by the Arabic countries of North Africa.

The West supports Mobutu's position. In 1978, when the former Katanga province (which is now called Shaba) was invaded for the second time by troops that belonged to the former nucleus of the "Katanga Gendarmes"--they supported Moise Tshombe who in 1965 emigrated to Spain--France sent paratroopers--certainly not only because of the important, but strategically insignificant raw material deposits. Zaire, which is bordering on Angola, has always been considered a bulwark in the struggle against communism in Africa. And Mobutu knows how to play his card masterfully, according to a pattern which is wide-spread in the Third World.

The dictator's reign of terror creates an atmosphere in which corruption flourishes magnificently. Since the job of each civil servant depends on the whims of the arbitrary dictator and his clan, government workers have to put away as much money as possible as quickly as possible: who knows how long one has the opportunity to do so? The ridiculously low salaries of top officials promote the willingness to look for additional income. A director in public service receives the equivalent of approximately DM 300 per month. Unofficially, that is, with bribes, he ends up with DM 3,000. House and car are provided by the state. The question whether the poorly paid public officials are the cause or a symptom of corruption may remain unanswered. Nevertheless, according to the World Bank it is one of the causes: "In general, it is easier to combat corruption with fewer officials who are well-paid and who control only what must (and can) be controlled in full view of the public than with occasional, anticorruption campaigns."

What is a public official supposed to think of his ruler--we are talking about Mobutu, who during his time in office diverted the incredible sum of \$5 billion and placed it in a private Swiss account? The amount--a significant coincidence--corresponds more or less to the figure of the foreign debt of the country. Considering the example, is it possible to expect anything other than corrupt behavior?

Of course, if you want to find real big corruption, you should not spend your time at the post office. Corruption can be studied at the big development projects of the country. Because a characteristic of corruption is the fact that "large projects" are awarded to "contractors in accordance with the size of bribes instead of the measure of quality of their performance" (World Bank).

One item in this category is probably one of the biggest bad investments in the Third World, the hydroelectric plant Inga II (with 1,400 megawatts it produces 1 1/2 times as much energy as a modern nuclear energy plant). The electricity originates at the power plant on the Congo River, which was built by Italians and equipped with Siemens generators and--sad but true--



planned by the national Electric Utility Company of France; subsequently it flows into an overhead line of 500 kilovolt, moving like a silver ribbon through the entire country of Zaire, a total length of 1,700 kilometers, until it reaches Lubumbashi in Shaba to supply the copper mines with electricity.

The project which makes the heart of every engineer beat faster has only one hitch: there is no need for the electricity. The copper mines have enough energy, because there are enough hydroelectric plants in the region. As a result, the original political intention of the project is shaky, the idea of which was to make the politically unstable Shaba province dependent on electricity supplied by the heartland of Zaire. Furthermore, it is uneconomic to tap the overhead line at various points, because it transports direct instead of alternating current. The maintenance of the complex costs the government several million dollars annually--for nothing. Economic rationality is not a value aspired to in a corrupt economy--which does not mean that it would not be economical and rational for the individual to be corrupt.

Foreigners tend to blame the enormous corruption in Zaire on the race and its mentality. That is wrong, and it has been proven by those Zairians who hold responsible jobs in neighboring countries like Ruanda and Burundi and who are considered part of the elite. Furthermore, a perfect system of corruption requires as much intelligence and creativity as any other top job--and if there is a system of corruption that functions perfectly, it is the one in Zaire. To be sure, the system stabilizes the total lack of moral scruples, which tend to come over us when we are confronted with corruption.

Most likely we are a product of the ethic of the principled, incorruptible civil service, which even in Europe has not been in existence very long. At any rate, international companies abandoned these scruples very quickly, if they ever had them. It applies to their business deals everywhere in the Third World. Corruption is part of business--under the somewhat more palatable name of "commission", bribes can be deducted from taxable income. The picture of a check hidden between other papers that are handed to the minister is outdated. Now the work is done by so-called agents, local personalities who have excellent connections. They receive a few percent of the value of the order as a commission, and their skill when it comes to bribery--after all, they do not only bribe one person but every key position in a ministry--decides who gets the order. Business enterprises do not have a high opinion of them, because they do not know how their agents distribute their money; it is their professional secret.

Every construction contractor knows what it means when the minister of transportation drops a hint during contract negotiations with respect to his favorite automobile. Sometimes "commissions" are so high that some bidders who may not have a lot of capital, although they may be cheaper, are forced to bow out at the beginning. Public officials live very well on corruption, many politicians do even better--consequently, why should they get rid of it? The question arises in many countries, not only in Zaire.



Of course, it is logical that all the forces who are supposed to fight corruption profit most from the bribery: the State Economic Commission, for instance, which is supposed to uncover the misuse of public funds. One can see them often, as they travel through the country in their blue trucks which were financed by Japan, intended for use in agriculture. Why does an economics commissioner need a truck for his inspection activities? To be able to transport sacks filled with manioc. He received them from his clients in return for a favorable inspection and intends to sell them on the central market of Kinshasa, where he will get three times the original purchase price.

Does it make any sense to give additional development aid to a country like Zaire, which is wasting its human and material resources in such a suicidal manner? A stop to these wasted monies may be the only way to bring such a system to its senses. The FRG Ministry for Economic Cooperation increased its aid in 1984: from DM 33 to DM 48 million.

8991

CSO: 3420/35

ZIMBABWE

RECORD HARVEST FOR NATION'S BLACK FARMERS

Stockholm DAGENS NYHETER in Swedish 11 Mar 85 p 16

[Article by Sven Oste]

[Text] Murewa--The population of Africa is growing much faster than the production of foodstuffs. The gap has increased in the last few decades--the drought and famine in recent years in a number of countries only dramatized the crisis of that continent. There are few bright spots, very few--one of them is Zimbabwe.

It has now rained since late fall right through January and February. This promises to be a record harvest. With a corn surplus that will come largely from the small black farmers. This is a big and remarkable success. About 5 years ago the small farmers did not produce enough corn for their own consumption.

Now Denis Norman, minister of agriculture, estimates that this year's harvest will produce 1.3-1.5 million tons of corn and that means a surplus of 600,000 tons for export. Close to 40 percent of all the corn comes from small farmers, Norman pointed out. That is the sensational result of the government's efforts during Zimbabwe's 5 years of independence.

When the war of independence ended in 1980 and white Rhodesia became free Zimbabwe there were 5200 white farmers in the country. They owned almost half of all the land. The big roads went through the white areas. A chain of small towns had grown up to maintain the economy and the people of the big farms.

Like large and small islands in the white area lay the "tribal lands" which contained the majority of the black population.

The war was perceived by many blacks as a fight against the white farmers--and they expected victory and freedom to lead to a division of the white-owned property. It is true that the peace agreement gave the big farmers guarantees that the land would not be nationalized--but many people, both black and white, regarded these paragraphs as meaningless. In the neighboring countries of Mozambique and Angola the collapse of Portuguese colonialism 5 years previously had led to a mass exodus of white farmers.

## Exodus

And there was a big exodus from Zimbabwe. The minority has been cut in half; there are now roughly 100,000 Europeans left in the country which has a total of 8 million inhabitants. But it was not the big farmers who left--there are still 4400 of them left.

"Thus only around 800 of them have gone. But this was not primarily for political reasons. Some were broken by drought but most of them were simply too old and sold their land to the state. The average age of white farmers is now 42; in 1980 it was 54. This is a new generation of white farmers who believe in their future here in Zimbabwe."

This picture was given by John Laurie, chairman of the white farmers association. Or the Commercial Farmers Union, as it is officially known. He has a magnificent office in Agriculture House in Harare, the capital.

The white farmers, or "commercial farmers," now own 41 percent of the land in this country. Some 27 percent of the population lives there, in other words the black employees and their families. These white farmers are responsible for two-thirds of Zimbabwe's agricultural production, 80 percent of its agricultural exports and almost half of Zimbabwe's total exports. Tobacco, cotton, sugar, corn and meat are exported.

## Small Farmers

All that comes from less than 1 percent of Zimbabwe's farmers. With the help of several hundred thousand black workers--a labor force that often disappears in the statistics.

The rest, more than 99 percent, are the small black farmers. They live on the other side of the fence in what used to be called "tribal lands" and are now called "communal areas." They do not formally own their land, but in practice the plots of land go down from father to son. Often they are much too small and too impoverished to feed the family.

Just as the white farmers have their organization under the leadership of John Laurie, 210,000 small black farmers belong to the National Farmers Association, with Robinson Gapari as chairman. His headquarters are some sparsely-furnished office rooms in the center of Harare.

John Laurie has a big farm, 1500 hectares, north of the capital. Tobacco, corn, a herd of cattle. Around 90 black workers.

Robinson Gapari's farm lies in a communal area several miles east of Harare. He has a corn field of 1 hectare. Three cows, 15 chickens, land for vegetables. His wife takes care of the farm and has a small shop for additional income.

"No, we do not want to have the whites thrown out. We do not want laws that would deprive the whites of their land. One must appreciate the expertise

they have and the efforts they have made. What happened before has been forgotten," said Robinson Gapari.

#### Investments

Naturally that is the line of the government and the big Zanu Party.

Robinson Gapari emphasized that in the 5 years of independence the government has made big investments in the communal areas. Schools, roads plus the whole pattern of efforts to increase the production of the small farmers. But he was sharply critical of the government's inability to fulfill its promise of land for 160,000 families who have none. This should have been accomplished through purchases from white farmers.

This was largely the same picture of progress given by Agriculture Minister Denis Norman--himself a big white farmer--in his interview. But it was also confirmed by other experts who are not directly connected with the government. There are also objective figures that speak clearly.

An important factor is the state credit organ, AFC, Agricultural Finance Corporation. It existed even before independence but at that time only a handful of black farmers received assistance--everything was invested in the white "commercial farmers."

Now AFC grants around 90,000 loans to small black farmers, a total of close to 1 billion kronor a year. Farmers who seek aid are visited by an AFC expert who decides what kind of seed and what kind of artificial fertilizer is needed. These products are delivered to the farmers and the costs are put down as loans--which are repaid at the end of the harvest year when farmers sell their surplus to the state purchasing organization.

Another statistic illustrates what happened. Five years ago small farmers bought only 25,000 tons of fertilizer a year--the figure now is 115,000 tons.

The result has to be a sharp increase in production. Drought years confuse the picture, of course--but it is obvious that the hard years would have been even more catastrophic without the efforts that were made for the small farmers.

#### Clear Picture

This is the first year, thanks to the rain, that we will get a picture of the small farmers' new role. But it is hard to get clear figures, Robinson Gapari stressed.

"First the farmer sets aside corn for his own family. Then he gives it away or sells it to friends. He takes what is left over to the nearest state office and sells it. But the only figures we have are the state purchases. My organization is now getting help from such organizations as Sweden's KF [Co-operative Union] in an effort to obtain an estimate of the total harvest."

The government has built around 20 new silos and a number of smaller storage buildings--in the past small farmers were often forced to travel hundreds of kilometers in order to sell their products. So far that often it did not pay to make the journey.

#### Prices

It is equally important that they are holding producer prices up--instead of pushing prices down as they do in many African countries in order to benefit consumers, urban dwellers. Often this results in production declines.

People now pay 2 1/2 times as much for a ton of corn as they did 5 years ago--a price increase that is somewhat higher than the rate of inflation.

But the other side of the coin, of course, is an intensifying crisis in the growing cities. It is there one hears voices, black voices, saying things were better before independence, when the whites were in power. Prices have shot up and unemployment keeps growing.

#### Photo Captions [Photos not reproduced]

1. Efraim Chifetete is 64 years old, his wife Anna is 58. They live in a communal area near Murewa, east of Harare. He has almost 2 hectares of arable land: most is used for corn, the rest for peanuts. This year he was able to borrow 364.11 Zimbabwe dollars (1 Zimbabwe dollar = 6.50 Swedish kronor). This means seed, sprays and several kinds of fertilizer.

He estimates that he will harvest over 100 sacks of corn this year, roughly 9 tons. Ten sacks will be kept for family use, the rest will be sold to the state at 18 dollars a sack. The loan will then be repaid--and he will have over 1200 dollars left over.

The family has mango trees and vegetables in the garden. Plus the big cement bin that will be filled with corn this spring.

2. Nigel Thornycroft is 74. He refers to himself as a retiree--his son, Richard, 34, takes care of the tobacco. Nigel's main responsibility is for the cattle, 700 head of beef. They own 2228 hectares, but two-thirds of the land is just rock and meadowland with poor soil. They raise tobacco on 43 hectares with the help of around 50 permanently-employed "Afs," as they say (Africans). Each tobacco leaf is handled seven times manually as it is harvested, dried and dyed. The harvest will be a good one this year, 110-120 tons. That is the equivalent of 8 million packs of cigarettes. In other words over 100 million kronor in consumer costs. They themselves get 1.5 million kronor for the tobacco. That will make ends meet, perhaps, they say.

6578

CSO: 3650/219

ZIMBABWE

BANANA PARDONS FORMER DEPUTY SPEAKER

Johannesburg THE CITIZEN in English 23 Mar 85 p 13

[Text] HARARE--President Canaan Banana of Zimbabwe has exercised his prerogative of mercy to release James Bassoppo-Moyo, a former deputy speaker of the House of Assembly, who was serving a two-year jail term for attempted murder.

Bassoppo-Moyo petitioned the President for release because of ill health, according to the Secretary of Justice, Legal and Parliamentary Affairs, Mr David Zamchiya.

Bassoppo-Moyo remains a convict, and though the balance of his sentence has been waived, he has not been pardoned.

He was admitted to the Harare Central Hospital on February 11, a few hours before his appeal against conviction for attempted murder was rejected by the Supreme Court, and has remained in hospital since then.

Bassoppo-Mayo (65) was convicted in October for shooting and wounding Mr Oliver Masilwa and Mr Bernard Hutire at a bottle store in Mvuma on April 29 last year. It was found he committed the offences out of jealousy and not to quell a disturbance, as he had claimed.

Mr Hutire was the son of a business rival.

Bassoppo-Moyo was sentenced to five years' jail, two of which were conditionally suspended for five years. Later the sentence was reduced by a further year.

Mr Zamchiya said Bassoppo-Mayo would remain in hospital but would no longer be a prisoner there.

CSO: 3400/862



ZIMBABWE

KOREAN ARMS AT HARARE CELEBRATION

Johannesburg THE CITIZEN in English 23 Mar 85 p 13

[Text] HARARE--New army hardware and new manufacturing equipment products will be displayed as part of this year's independence anniversary celebrations in Harare next month.

The chairman of the working party of the National Independence Celebrations Committee, Mr Emmerson Manangagwa, said this week that next month's celebrations will be bigger and will incorporate more events than any so far in the country's five years of independence.

Companies would display the new equipment acquired and products introduced since independence while the army would show its latest military equipment.

Mr Munangagwa, who is also the Minister of State (Security) said the committee had asked for help from the Democratic People's Republic of Korea for the army displays and some components were already coming in.

Mr Munangagwa said there would also be a march-past by five-year-old children born on April 17, 18 and 19 in 1980 to mark the country's five years of independence.

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